ENVIRON-MENTAL REPORT 2015

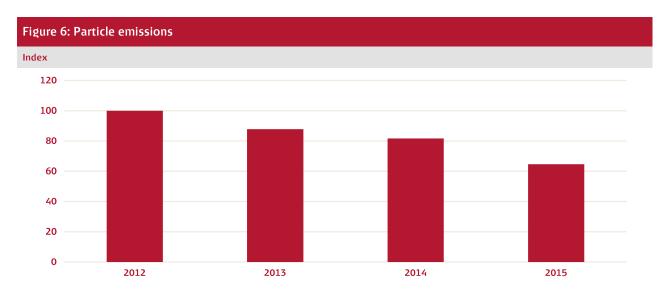


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Environment and climate

Diesel trains emit particles and also impacts the air quality in other ways.



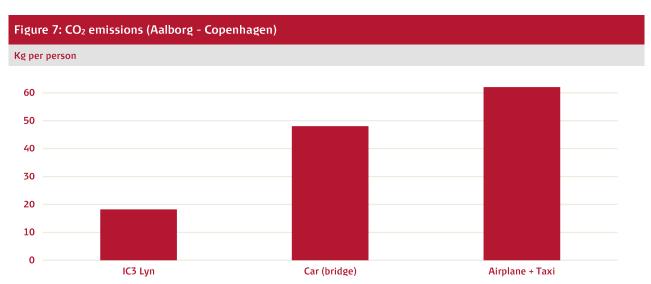
Total particle emissions from the diesel trains fell by 20 percent compared with 2014. The reason is a reduced use of ME-diesel locomotives and MR train sets as well as more IC4 train sets being placed in service as they emit fewer particles.

2015 continued the focus on the number of ultrafine particles in the double-decker coaches pulled/pushed by the ME locomotives. DSB is currently working on implementing various prototypes to reduce the exposure of customers and employees to ultrafine particles.

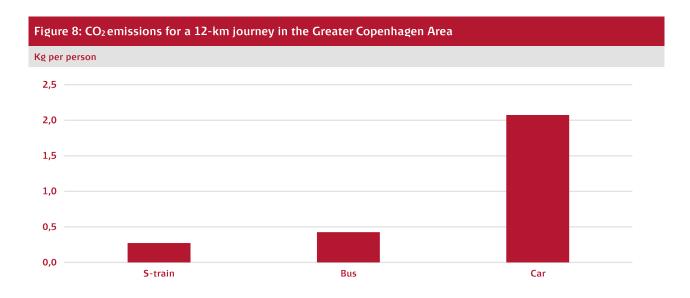
Deutsche Bahn is developing a spoiler that is expected to divert the exhaust away from the coaches so that the number of particles in the coaches will be reduced. The prototype will be fitted in the spring of 2016. Then it will be tested and its environmental impact measured.

90 percent of DSB's total energy consumption is used for train operations. The train is an energy-friendly mode of transport compared with other modes of transport, regardless of whether the journey is a long journey or only a few stations internally in the Greater Copenhagen Area.

Through its environmental policy, DSB continues to focus on increasing efficiency through a reduction of its energy consumption per passenger kilometre and generally to reduce DSB's impact on the surrounding environment.



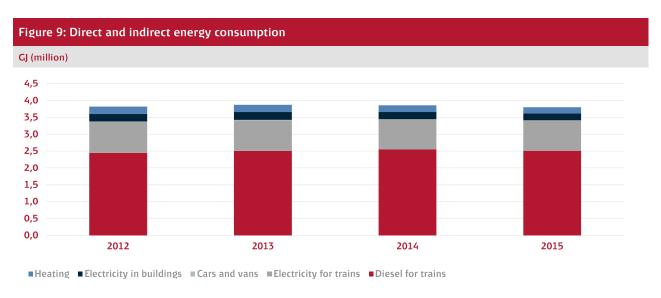
The assumptions on which the comparison with other modes of transport is based are included in DSB's Environmental Report 2015 or on www.dsb.dk/milio.



In order to render this work visible, DSB has set up a strategic target for sustainability defined as gram CO₂ per passenger kilometre.

The continued electrification of the main network in Denmark will mean a reduced energy consumption as well as reduced CO_2 emissions due to the expected increased share of renewable energy in the Danish energy mix.

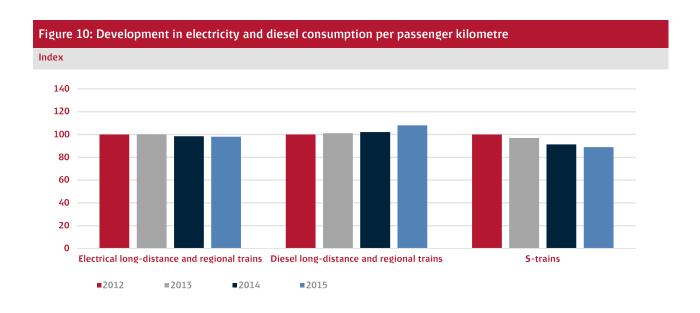
DSB's total energy consumption for trains fell slightly compared with 2014. This reflects a reduction of DSB's diesel operations and a slight increase in the electricity consumption.



Electricity consumption for cars and vans is less than 1 percent of DSB's total energy consumption and is therefore not included in the figure.

The energy consumption remains unchanged since 2014 due to reduced heating consumption and increased electricity consumption.

DSB's total CO₂ emissions are unchanged compared with 2014, for the train product as well as for the corporation.

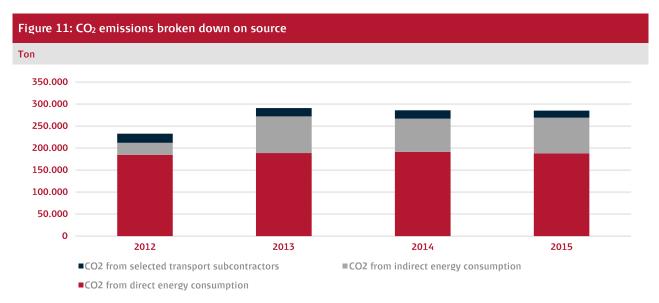


For S-tog the energy consumption per passenger kilometre fell by 3 percent. This fall was obtained through growth in the number of passenger kilometres of 2 percent and a fall in the overall energy consumption of 0.6 percent. CO_2 emissions remained unchanged as the CO_2 emission from the Danish energy mix rose.

Table 1: Development in energy con	nsumption and CO2 emission		
	Change in energy consumption per seat kilometre	Change in energy consumption per passenger kilometre	Change in CO₂ emission per passenger kilometre
Long-distance & Regional Trains			
- Diesel trains	4%	7%	7%
- Electric trains	0%	1%	4%
S-tog	-1%	-3%	0%

DSB continues to make an effort to reduce the energy consumption in its buildings and fixed installations. Among others, the following initiatives were introduced in 2015, which will obtain their full effect in 2016:

- On the majority of S-train platforms, lighting was replaced by LED in the autumn of 2015. Expected annual savings of 1 GWh
- Consolidation of workshop activities



As of 2013 DSB decided against purchasing RECS certificates for power produced by renewable energy sources. This means that the emissions as of and including 2013 are not comparable with the results from 2012.

DSB experienced two spillage accidents from trains during operations in 2015. In one of the accidents approx. 400 litres of diesel oil leaked into the ballast. The oil was collected from the ditch and monitoring drilling will be carried out over the coming years to check for percolation to the groundwater. The second accident involved limited spillage.

The number of noise and smoke complaints submitted by neighbours and customers fell from 202 in 2014 to 147 in 2015.

The complaints represent the total number of complaints received by DSB through the Customer Centre, directly to DSB Environment and through Banedanmark. The complaints in 2015 do not concern one particular area, but are distributed over a wide range of issues.

Two of the complaints involved municipalities, i.e. the Municipality of Lindholm and the Municipality of Fredericia. The use of the turning track at Lindholm has been heavily reduced from 2016. Changes have been made at the activities in Fredericia and they now produce less noise for the neighbours.

In addition, DSB and Banedanmark are having a dialogue with the City of Copenhagen with regard to the possibilities of reducing the noise from the preparation areas at Belvedere situated between Dybbølsbro and Enghave.

The measurements carried out by Banedanmark of the air quality at Nørreport show a continued substantial improvement compared with the situation before the rebuilding.

Accounting policies

Annual statement

The annual statement includes data for DSB's activities as well as data for fixed installations and buildings where DSB's activities take place.

All Group companies in Denmark (wholly owned and DSB Øresund) are included fully in the annual statement.

For the annual statement, DSB has decided to report on environmental impacts using the same groupings as in the "Greenhouse Gas Protocol", the GHG Protocol, in which energy consumption and emissions are reported in three categories: direct (scope 1) and indirect (scope 2) energy consumption and emissions as well as emissions relating to selected subcontractors of transport (scope 3).

External suppliers

As a main rule, the consumption and emissions of external suppliers on contracts with DSB are not included. An exception is the consumption of chemical products and CO₂ emissions relating to selected subcontractors of transport. This applies to replacement services provided by bus and taxi, school journeys by bus and ferry, employee transport by aeroplane, taxi and car as well as employees' mileage to and from work. Official journeys by train outside Denmark are not included.

DSB as supplier

Consumption and emissions from buildings that are owned by DSB but are rented out are not included.

Compiling and processing data

The data in the annual statement is compiled via DSB's registration systems and on the basis of figures provided by external partners. Procedures for the compiling of data and quality control are described in the "Manual for Compiling Environmental Data". The manual describes the distribution of roles and responsibilities between central and decentralised environmental employees during the preparation of the environmental report.

The process starts with the compiling and assessing of environmental data in the business units, and then the units' contributions to data and text are processed and gathered into one entity for DSB. The quality control of the data is primarily undertaken centrally in DSB.

Energy consumption for train operation

The consumption of diesel is registered automatically when filling up. Add to this the wastage from stationary tank installations, which is also included in the calculations. The total consumption of diesel is distributed on rolling stock classes based on production figures for expected consumption per kilometre. DSB pays for the traction current based on invoices received from Banedanmark. The electricity consumption is distributed on rolling stock classes according to the meter readings on the trains. A loss of traction current is added to the recorded values.

Air emissions

DSB's calculations of air emissions are compiled on the basis of key figures.

As of 2013, DSB decided against purchasing RECS certificates for power produced by renewable energy sources. This means that the emissions for 2013-2015 are not comparable with the data

from previous years. Therefore, emission data from electrical train operation are not included in the statement until and including 2012.

The key figures for the emissions from diesel consumption are based on readings of the emissions' dependency on engine performance as well as readings or simulations of engine performance at different driving patterns.

Key figures for emissions from cars and vans are collected from the Danish Ministry of Transport's model, the TEMA2010. The emission levels of SO₂ are corrected according to the sulphur contents of petrol and diesel, respectively.

Key figures for emissions from school journeys by ferry are collected from TEMA2015.

Key figures for CO_2 , SO_2 and NO_x from district heating used in buildings are calculated on the basis of the statement from Energinet.dk for emissions and thermal production in Denmark. A mean value is used for 2013 and 2014. The thermal production covers 69 percent of the overall Danish district heating production. The key figure has been calculated on the basis of the energy content method and is corrected for a 20-percent net loss in the distribution network.

Key figures for CO_2 , SO_2 and NO_x from buildings are based on 2014 data from the Danish Centre for Environment and Energy (DCE) with regard to gas and fuel oil. Data for LPG, natural gas and gas oil in the category "residential plants" may be found on the <u>website</u>. The electricity key figure for traction current is used in the calculation of the emissions from the energy consumption in buildings, and the figure is corrected for a 5-percent net loss in the distribution network.

Indexation

In the annual statement, the consumption and emissions for 2015 are calculated in absolute quantities. 2012 is the base year for indexation. Note 4 lists a deviation from the indexation in relation to 2012.

In some cases, it has been decided not to index the consumption and emissions on account of, for instance, different maintenance intervals between the years. This applies, for example, to certain chemical products.

Environmental disclosures and comparisons with other modes of transport

For the environmental disclosure for train products and comparisons between different means of transport, DSB uses the annual energy consumption and emissions as well as the annual average occupancy rate for our trains.

Key figures for cars are taken from TEMA2010. There may be major variations in the result depending on the type of car used. DSB has decided to use an average figure somewhere between a fairly small and a fairly large car, both with EURO III engines. This key figure is close to the average for the Danish fleet of cars.

To calculate the CO₂ emissions from aeroplanes, DSB uses Scandinavian Airlines' CO₂ calculator. DSB uses the default value for the most commonly used planes on the selected route.

The occupancy rates for cars are taken from the statistics produced by the Danish Road Directorate. DSB estimates that there is, on average, 1.54 passengers per car, and for rush-hour calculations, DSB uses an average of 1.1 passengers.

For environmental disclosures for types of rolling stock, DSB uses the annual energy consumption and emissions as well as the number of seat kilometres covered by the rolling stock. The distribution on the different types of rolling stock is made based on production figures.

Customer enquiries and complaints

DSB receives enquiries and complaints regarding various environmental issues from customers and neighbours. Previously, reporting focussed on enquiries and complaints regarding external environmental issues. As of 2014 DSB had adjusted its statement of customer enquiries and complaints regarding environmental issues, so that the reporting also concerns complaints and enquiries from passengers with regard to conditions onboard the train, e.g. air quality and noise in the train.

Environmental key figures

Environmental disclosures and statements for 2015

The environmental disclosures include energy consumption and emissions of various types of air pollutants for product types and types of rolling stock.

The annual statements contains absolute figures of consumption and emissions for 2015 as well as index figures for the period 2012-2015.

Environmental disclosure for train products 2015						
Train product	Energy Consump- tion	CO ₂				
Per passenger kilome- tre	MJ	g				
S-tog	0.29	21				
Regional trains	0.82	61				
InterCity trains	0.49	37				
Express trains	0.46	34				

The environmental disclosure for the train product shows the energy consumption and CO_2 emissions per passenger kilometre from DSB's products in 2015.

Environmental disclosure for types of rolling stock 2015								
Train type	Energy con- sumption	CO2	SO ₂	NOx	НС	со	Dust	Particles
Per seat kilometre	MJ	g	mg	mg	mg	mg	mg	mg
S-train (electricity)	0.07	5.2	0.9	3.0	2.0	2.0	0.2	0.0
Desiro (diesel)	0.28	20.7	0.1	163.0	25.6	93.2	0.0	3.5
ME and double-decker coaches (diesel)	0.25	18.1	0.1	239.2	14.3	27.2	0.0	7.5
Øresund train (electricity)	0.12	9.1	1.5	5.3	3.6	3.6	0.3	0.0
MR (diesel)	0.41	30.1	0.2	455.8	68.9	117.2	0.0	25.1
IR4 (elecricity)	0.13	9.5	1.6	5.6	3.7	3.8	0.3	0.0
IC3 (diesel)	0.28	20.4	0.1	117.6	6.1	13.0	0.0	0.9
IC4 (diesel)	0.55	41.0	0.3	232.2	13.7	29.2	0.0	2.0

The environmental disclosure for train types shows the energy consumption and emissions per seat kilometre from DSB's train types in 2015.

Annual statement 2015

Consumption							
	Note	Index 2012	Index 2013	Index 2014	Index 2015	Volume 2015	Unit
Energy consumption							
The Product. total							
Electricity		100	99	97	98	248,451	MWh
Diesel		100	102	104	103	69,759,650	Litre
The Corporation, total		100	101	91	91	107,959	MWh
Electricity	1	100	103	90	93	57,878	MWh
Heating (adjusted for degree days)	1	100	99	91	89	50,081	MWh
Direct energy consumption							
Train product (L&R) (diesel)		100	102	104	103	69,759,650	Litre
Train operation		100	102	104	103	69,759,650	Litre
The Corporation							
Cars and vans							
Diesel	2	100	153	88	70	189,763	Litre
Petrol	2	100	89	74	40	8,657	Litre
Heating (adjusted for degree days)	1	100	90	108	86	10,619	MWh
Heating oil	1	100	138	258	203	975	MWh
Gas	1	100	88	102	81	9,643	MWh
ndirect energy consumption							
Train product (electricity)		100	99	97	98	248,451	MWh
S-tog		100	98	95	94	119,726	MWh
The Coastal line (operated by DSB Øresund)		100	103	101	98	64,218	MWh
Long distance and regional trains		100	97	98	105	64,507	MWh
The Corporation		100	103	88	91	97,341	MWh
Electricity	1	100	103	90	93	57,878	MWh
District heating incl. steam (adjusted for degree	1	100	102	87	90	39,462	MWh
days)							
Water consumption		100	93	94	103	160,770	m³
Chemical products (selected)							
Nitrogen content in slippery surface prevention agents		-	-	-	-	5.9	Tonne
Herbicides		-	-	-	-	16.3	Kg act
							subast

Emissions (CO ₂)						
	Note	Index 2012	Index 2013	Index 2014	Index 2015	Volume 2015 Ui
Air emissions. calculated						
CO₂		100	125	123	122	285,166 Tonnes
The Product		100	131	130	130	254,437 Tonnes
The Corporation		100	94	84	84	30,729 Tonnes
Direct energy consumption (GHG* scope 1)		100	102	103	102	187,906 Tonnes
The Product	3	100	102	103	102	185,142 Tonnes
Long distance and regional trains (diesel)		100	102	103	102	185,142 Tonnes
The Corporation		100	104	104	83	2,764 Tonnes
Cars and vans (petrol and diesel)	2	100	149	87	68	524 Tonnes
Heating (heating oil and gas)		100	91	110	88	2,240 Tonnes
Indirect energy consumption (GHG* scope 2)		100	304	277	297	81,152 Tonnes
The Product	3	-	100	93	101	59,719 Tonnes
S-tog (electricity)	4	-	100	96	98	28,778 Tonnes
The Coastal line (electricity)	4	-	100	82	98	15,436 Tonnes
Long distance and regional trains (electricity)	4	-	100	101	111	15,505 Tonnes
The Corporation		100	88	76	78	21,433 Tonnes
Electricity. fixed installations	5	100	81	70	74	14,644 Tonnes
District heating incl. steam		100	106	91	89	6,789 Tonnes
Selected transport sub-suppliers (GHG* scope 3)		100	92	91	77	16,108 Tonnes
The Product		100	82	84	65	9,575 Tonnes
Replacement busses		100	64	75	116	7,404 Tonnes
S-tog	6	100	33	45	1617	1,267 Tonnes
L&R		100	65	75	97	6,137 Tonnes
Taxa		100	118	77	73	26 Tonnes
School journeys	7	100	95	90	26	2,146 Tonnes
Busses		100	124	87	208	614 Tonnes
Ferries		100	94	90	19	1,531 Tonnes
The Corporation		100	116	109	109	6,533 Tonnes
Service travel by airplane		100	31	17	15	160 Tonnes
Service travel in own car		100	127	180	201	149 Tonnes
Таха		100	71	76	71	53 Tonnes
Employee transport to and from work		100	136	129	129	6,170 Tonnes

^{*} GHG = Greenhouse Gas protocol

Emissions (other emissions)						
	Note	Index 2012	Index 2013	Index 2014	Index 2015	Volume 2015 Unit
Air emissions. calculated						
NO _x						1,553 Tonnes
The Product	3	100	99	96	87	1,534 Tonnes
Long distance and regional trains (electricity and diesel)	4	100	98	95	85	1,508 Tonnes
The Coastal line (electricity)	4	0	100	54	85	9.0 Tonnes
S-tog (electricity)	4	0	100	60	81	17 Tonnes
The Corporation		100	98	77	71	19 Tonnes
Cars and vans (petrol and diesel)	2	100	151	78	53	1.2 Tonnes
Heating (district heating. heating oil and gas)		100	103	87	84	8.8 Tonnes
Electricity. fixed installations	5	100	85	70	65	8.6 Tonnes
5O₂						15 Tonnes
The Product	3	100	898	977	1015	11 Tonnes
Long distance and regional trains (electricity and diesel)	4	100	291	331	343	3.7 Tonnes
The Coastal line (electricity)	4	0	100	99	114	2.6 Tonnes
S-tog (electricity)	4	0	100	110	109	4.8 Tonnes
The Corporation		100	94	83	78	4.0 Tonnes
Cars and vans (petrol and diesel)	2	100	149	87	68	0.003 Tonnes
Heating (district heating, heating oil and gas)		100	111	85	71	1.6 Tonnes
Electricity. fixed installations	5	100	81	81	83	2.4 Tonnes
нс	8					131 Tonnes
The Product	3	100	116	117	96	131 Tonnes
Long distance and regional trains (electricity and diesel)	4	100	96	97	83	113 Tonnes
The Coastal line (electricity)	4	0	100	97	68	6.1 Tonnes
S-tog (electricity)	4	0	100	109	65	11 Tonnes
со	8					244 Tonnes
The Product	3	100	100	94	83	244 Tonnes
Long distance and regional trains (electricity and diesel)	4	100	93	87	77	226 Tonnes
The Coastal line (electricity)	4	0	100	91	88	6.1 Tonnes
S-tog (electricity)	4	0	100	102	85	11 Tonnes
Particles (TSP)	8					37 Tonnes
The Produkt	3	100	88	82	65	37 Tonnes
Long distance and regional trains (diesel)		100	88	82	65	37 Tonnes
Dust						2.0 Tonnes
The Product	3	100	100	123	137	2.0 Tonnes
ong distance and regional trains (electricity)	4	100	100	133	151	0.51 Tonnes
The Coastal line (electricity)	4	0	100	108	133	0.51 Tonnes
S-tog (electricity)	4	0	100	126	133	0.95 Tonnes
Ozone-depleting agents						2.5 Tonnes
HFC	9	-	-	-	-	2.5 Tonnes
HCFC	10	-	-	-	-	0.0 Tonnes

Emissions (other emissions)							
	Note	Index 2012	Index 2013	Index 2014	Index 2015	Volume 2015 Unit	
Waste	·		·			10,200 Tonnes	
Waste (excl. construction waste)		100	108	115	121	9,029 Tonnes	
For recycling		100	118	123	120	2,866 Tonnes	
For incineration		100	100	96	98	4,368 Tonnes	
For special treatment		100	134	233	331	1,745 Tonnes	
For depositing		100	95	141	83	50 Tonnes	
Construction waste		-	-	-	-	1,171 Tonnes	
For recycling		-	-	-	-	1,084 Tonnes	
For incineration		-	-	-	-	73 Tonnes	
For special treatment		-	-	-	-	0.0 Tonnes	
For depositing		-	-	-	-	13.9 Tonnes	

Note 1: Energy consumption for fixed installations (buildings)

DSB improves the data basis for calculations on an ongoing basis. DSB register filling of heating oil, not the actual consumption of oil.

Note 2: Cars and vans

The fuel consumption for cars and vans has declined in 2015. Similarly, the number of vehicles has declined, due to a declined need of using vehicles.

Note 3: The Product

The statement on air emissions is compiled on the basis of key figures. For further information look at the part "Accounting policies".

Note 4: RECS certificates for trains

As of 2013, DSB decided against purchasing RECS certificates for power produced by renewable energy sources for train operations. This means that emission data from electrical train operation are not included in the statement until 2012.

Note 5: RECS certificates for fixed installations (buildings)

As of 2012, DSB decides against purchasing RECS certificates for power produced by renewable energy sources for fixed installations (buildings). This means that emission data from fixed installations are not included in the statement until 2011.

Note 6: Replacement services provided by bus for S-tog

The CO₂-emissions for replacement services provided by bus for S-tog has increased in 2015. DSB has improved the data basis for calculations of emissions for replacement services provided by bus for S-tog, not increased the need for replacement services.

Note 7: School journeys

There are fluctuations in the CO₂-emissions from school journeys by bus and ferry, due to improved data basis for busses and updated key figures for emissions for ferries from TEMA2015.

Note 8: Less emissions for cars and vans

The statement of emissions for The Corporation is standardized. This means that emissions of HC, CO and particles (TSP) are not included emissions from fuel consumption for cars and vans from 2014.

Note 9: HFC

Since 2005, the acquisition of new systems with HFC and the use of HFC have been prohibited, except for the purpose of servicing existing systems. Another exception is for air conditioning systems in vehicles, meaning that DSB still uses HFC.

Note 10: HCFC

According to legislation, HCFC is required to be phased out by 1 January 2002, but it is legal to fill tanks with reclaimed (recycled) HCFC.

Declaration

Independent auditors' report on DSB's Environmental Report 2015

To DSB's stakeholders

As agreed, we have examined DSB's Environmental Report 2015 for the period 1 January 2015 to 31 December 2015. DSB's Environmental Report 2015 has been prepared in accordance with the accounting policies described on pp. 6-7.

We are to conclude on DSB's Environmental Report 2015. The degree of assurance expressed in the conclusion is limited.

Management's responsibility for DSB's Environmental Report 2015

DSB's Management is responsible for the preparation of DSB's Environmental Report 2015 in accordance with the accounting policies described on pp. 6-7.

DSB's Management is also responsible for such internal control as DSB's Management considers necessary to enable the preparation of DSB's Environmental Report that is free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to conclude on DSB's Environmental Report on the basis of our procedures. We performed our procedures in accordance with ISAE 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and additional requirements under Danish audit legislation to obtain limited assurance for our conclusion.

Ernst & Young Godkendt Revisionspartnerselskab is subject to the International Standard on Quality Control (ISQC) 1 and thus uses a comprehensive quality control system, documented policies and procedures regarding compliance with ethical requirements, professional standards, applicable requirements in Danish law and other regulations.

We complied with independence requirements and other ethical standards under FSR - Danish Auditors' Code of Ethics for Professional Accountants, which rely on general principles regarding integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

As part of our examination, we performed the below procedures:

- Interviews of relevant company personnel responsible for the preparation of DSB's Environmental Report 2015.
- Checks of whether data have been collected, assessed and quality-reviewed as prescribed in DSB's manual for collection of environmental data.
- Comparison, on a sample basis, of the statement of energy consumption with data reported by data suppliers.
- Analytical reviews of data supplied by DSB.
- Evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management.

We believe that our procedures provide a reasonable basis for our conclusion.

The procedures performed in connection with our examination are less than those performed in connection with a reasonable assurance engagement. Consequently, the degree of assurance for our conclusion is substantially less than the assurance which would be obtained had we performed a reasonable assurance engagement.

Conclusion

Based on our procedures and the evidence obtained, nothing has come to our attention that causes us to believe that DSB's Environmental Report 2015 has not been prepared, in all material respects, in accordance with the accounting policies de-scribed on pp. 6-7.

Copenhagen, 25th February 2016 ERNST & YOUNG Godkendt Revisionspartnerselskab CVR-nr. 30 70 02 28

Michael N. C. Nielsen

State Authorised Public Accountant

Carina Ohm Executive Director

