

The **organizational embedding and monitoring of risk management** takes place through the risk management organization established at the Group. As previously described in the “Risk management system” section with regard to material risks and risks threatening Daimler’s existence, the divisions, corporate functions and legal entities inquire about the specific risks at regular intervals. This information is passed on to Corporate Risk Management, which processes the information and provides it to the Board of Management and the Supervisory Board as well as to the Group Risk Management Committee (GRMC). In order to ensure the complete presentation and assessment not only of material risks and risks threatening the existence of the Group, but also of the control and risk process with regard to the corporate accounting process, Daimler has established the Group Risk Management Committee. It is composed of representatives of the areas of Finance & Controlling, Accounting, Legal Affairs and Compliance, and is chaired by the Board of Management Member for Finance & Controlling and Daimler Financial Services. The Internal Auditing department contributes material findings on the internal control and risk management system. In addition to fundamental issues, the committee has the following tasks:

- The GRMC defines and shapes the framework conditions with regard to the organization, methods, processes and systems that are needed to ensure a functioning, Group-wide, and thorough control and risk management system.
- The GRMC regularly reviews the effectiveness and functionality of the installed control and risk management processes. Minimum requirements can be laid down in terms of the design of the control processes and of risk management and corrective measures can be initiated as necessary or appropriate to eliminate any system failings or weaknesses exposed.

However, responsibility for operational risk management for risks threatening the existence of the Group and for the control and risk management processes with regard to the corporate accounting process remains directly with the divisions, corporate functions and legal entities. The measures taken by the GRMC ensure that relevant risks and any existing process weaknesses in the corporate accounting process are identified and eliminated as early as possible.

In the Board of Management and the Audit Committee of the Supervisory Board of Daimler AG, regular reports are given regarding the current risk situation and the effectiveness, functions and appropriateness of the internal control and risk management system. Furthermore, the responsible managers regularly discuss the risks of business operations with the Board of Management.

The Audit Committee of the Supervisory Board is responsible for **monitoring the internal control and risk management system**. The Internal Auditing department monitors whether the statutory conditions and the Group’s internal guidelines are adhered to in the Group’s entire monitoring and risk management system. If required, measures are then initiated in cooperation with the relevant management. The external auditors audit the system for the early identification of risks that is integrated in the risk management system for its fundamental suitability to identify risks threatening the existence of the Group; in addition, they report to the Supervisory Board on any significant weaknesses that have been discovered in the internal control and risk management system.

Risks and opportunities

The following section describes in detail the risks and opportunities that can have a significant influence on the profitability, cash flows and financial position of the Daimler Group. In general, the reporting of risks and opportunities takes place for the individual segments. If no segment is explicitly mentioned, the risks and opportunities described relate to all divisions.

In addition, risks and opportunities that are not yet known about or classified as not material can influence profitability, cash flows and financial position.

Industry and business risks and opportunities

The following section describes in detail the industry and business risks of the Daimler Group. A quantification of these risks and opportunities is shown in table [7 B.55](#).

Economic risks and opportunities. Economic risks and opportunities constitute the framework for the risks and opportunities listed in the following categories and are integrated as premises into the quantification of these risks and opportunities. Overall economic conditions have a significant influence on automobile sales markets, and their development is one of the Group’s major risks and opportunities.

With regard to the **world economy**, Daimler along with the majority of economic research institutes anticipates a slight acceleration of growth in 2015. Economic developments in 2014 are described in detail in the “Economic Conditions and Business Development” section of this Management Report; growth assumptions for 2015 are explained in the “Outlook” section [see page 146](#)

Economic risks and opportunities are linked with assumptions and forecasts on the **general development** of the individual topics. Overall, economic risks for the business environment have tended to increase slightly compared with the prior year and the opportunities for an improvement of the world economy have declined slightly.

The development of the **US economy** will be decisively impacted by how the planned exit from the expansive monetary policy is further managed and whether – as hoped – investors and consumers boost the rate of growth. After such a long phase of very low interest rates, an increase in interest rates could have a profound effect on economic recovery and slow down the pace of growth. This would also affect the housing market and its recovery, along with other sectors. Although the Federal Reserve could attempt to counteract any negative impact through its monetary policy, it has little room to maneuver here, which means the effectiveness of such possible measures would be limited. Such an event would have significant consequences because the Daimler Group (and especially the Mercedes-Benz Cars and Daimler Trucks divisions) generates a considerable volume of its unit sales in the United States, and diminished growth could also spread to other regions. However, if investment activity in the United States is more dynamic than previously assumed, this could result in substantially stronger growth. The resulting increased employment and income effects would boost the demand for the automotive divisions.