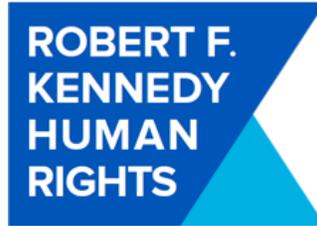


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December 7, 2016



**Transcript of award-acceptance speech from Howard Schultz – Starbucks chairman and ceo, and co-founder of the Schultz Family Foundation**

HOWARD SCHULTZ: It's been a long night. Now let me begin by acknowledging and thanking Mrs. Kennedy, and Kerry, and Robert and everyone involved. As Senator Bradley said, for a kid from Brooklyn, being here today, on the same stage as Vice President Biden and Scott and all of you is more than humbling. I want to acknowledge my family here, my wife Sheri, my kids, all my friends from Seattle who came, and all my colleagues from Starbucks. This is a team sport, and I share the award with all of you. Thank you so much.

The video you saw really is emblematic of a long history we've had of over forty years of trying to build a different kind of company. A company that would try and achieve the fragile balance between profit and social impact. What you really saw today in that video was our core purpose and our reason for being -- demonstrating over many, many years that we believe that success is best when its shared. And after 25 years as a public company, I think we've arrived at a place where we are a performance-driven organization through the lens of humanity.

And I'd like to respectfully ask you to think about the word humanity as I share my thoughts with you.

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Humanity. We haven't seen much of that in the last couple years. And certainly, the presidential election cycle -- the lack of civility, the lack of respect. It really, I think, began to remind us that perhaps we as a people and as a country have lost something of ourselves. Almost to the point where we could ask yourself a rhetorical question, "Has America lost its conscience?"

For me, it's easy to not be optimistic and, I must say that during these last couple of years and certainly the results of the election, it makes for a lot of question about the direction of the country and where we as a people are going. But I remain optimistic because I see optimism in every Starbucks store in every community around the country. I see kindness among our customers. I see servant leadership from our people, and I see the deep sense of community that exists in every store, as people are longing and hungry for human connection. That optimism, for a kid who grew up on the other side of the tracks, in public housing, in the Canarsie section in Brooklyn, it happened for me at an early age -- that optimism despite living in the projects.

In 1960, I was about seven years old and my mother took me by the hand and we went for a long, long walk. I had no idea where we were going. It seemed like we were walking for miles. And we arrived at a place where there were hundreds, maybe thousands, of people at a rally -- a rally for a senator that was running for president in 1960, and made a campaign stop in the Brooklyn that I lived in. I couldn't see over the tall faces of the adults, but I heard the voice, and the optimism and the vision of Senator John F. Kennedy. I could feel my mother's hand grip mine tighter and tighter as he spoke about the fact that your station in life should not and will not define you. Because in our country, that is not the promise of America. That is not the American dream. I looked up at my mother and I could see the glow on her face, and from that day on she a belief that anything would be possible, even for a family who struggled to pay \$98-a-month rent in the Bayview Projects.

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Now that was optimism, and that optimism carried me through all these years, and I am living proof -- living proof of the American dream. If I took you today back to those projects, which look worse today than when I was a kid, it's almost impossible, impossible, that one could get from there to here, and receive this kind of prestigious award on a night like tonight sitting next to Ethel Kennedy and the Vice President of the United States. I only wish my parents could see it. They wouldn't believe it.

But optimism is not enough. In fact, I'd say optimism and hope, it's a feeling, it's an emotion. But what we need in America today is a movement. We need a movement of a large group of people who are unwilling to embrace the status quo and recognize the threat of tyranny.

So if you can, link that optimism to moral courage. And as we heard tonight from every speaker, and every video, the common thread of the legacy of Robert Kennedy is his moral courage, day in and day out. We also heard about what happened in 1968, when he stood on the back of a flatbed truck, and spoke about non-violence against the counsel of the advisors he had because of the danger of the situation. And he spoke about three things really; when you break down that speech it's three things: it's empathy, it's compassion and its love. Empathy, compassion and love. And I go back to the feeling, the thought, the term, humanity. Where have we gone? What has happened to us? When Kerry visited us in Seattle just a few weeks ago, at the end of a really, positive day, we started talking about where we are as country, where we are as a people, and I asked her, "What would your father do right now?" And she didn't even blink, not even a second. "He'd be standing up. He'd be standing up for what he believed in, and all of those that do not have a voice." We all going to go home from this night, back to the lives we lead, and if you look at the history books there are many, many examples, in other countries, in other years, in other

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centuries, where there was a feeling of indifference, where we ignored the signs and the signals. I would submit to you today, as citizens, forget the government, forget the elected officials, forget the president-elect just for a moment, and realize that we have a responsibility, that we have to start taking this very, very personally, and realize the responsibility that we have to the people who came before us, as well as the responsibility we have to our children and grandchildren about the promise of America and the American dream. We cannot allow the continuation of the fracturing of the trust and confidence, of the lack of truth, the lack of authentic leadership, to take us in a direction that most of us in this country know is fools good.

This is a serious time, a very serious time for all of us in the country, and all of us who represent other people around the world who are asking a very serious question, and the question is, “Is it really possible? Is this the direction that the country is really going in?”

Trying to link what it means to be optimistic, with the moral courage to recognize that we need a collective movement, and the recognition of individual and collective responsibility not to accept the status quo, and not to accept what we know is a direction that is against the grain and against everything we heard tonight that was about compassion, empathy and love, the promise of America and the American dream.

Now in the video, you might have seen that we opened a store this year in Ferguson, Missouri. Ferguson, Missouri. You also might remember that over the last year and a half, Starbucks has said to itself that the rules and responsibilities for a public company today, in view of the fracturing of policy and lack of trust and polarization in Washington, have changed, and we as a company must recognize that we have a responsibility to leverage our platform, leverage our voice and leverage our scale for good. And we touched the third rail: We touched race. As

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Senator Bradley said, in our boardroom, in our very boardroom, we were not talking about profit and loss, we were not talking about growth and development, we were not talking about the stock price or shareholder value. We were talking about our conscience, our conscience as a company, as a group of people, as leaders. And we said to ourselves: Eighty, ninety million people a week are going through our stores; let's do everything we can to try and leverage our scale and elevate the national conversation, the national discourse about the understanding of compassion and empathy. And how many different times we are we going to allow ourselves to keep looking at the news and television, one injustice after another just because someone has a color of skin that is black? So we took it on. And I'm here to tell you, as Senator Bradley did, that the catalyst, the motivation, despite the fact the Robert Kennedy has not been with us since 1968, was the Ripple of Hope speech and the moral courage that he showed in Indianapolis, when he calmed an entire city. The catalyst for our action, the catalyst to try and do everything we could to recognize our responsibility, was Robert Kennedy. That's why we opened a store in Ferguson, that's why we opened a store in Queens recently, that's why we opened a store in Englewood, Illinois. People said, "Englewood, Illinois? Starbucks is getting into the charity business." No, it's not charity. It's not charity. It's our values. It's our guiding principles.

Just a few months ago, as we were opening in Ferguson, in the same week we were opening a store in Johannesburg, South Africa. I had never been to South Africa and I didn't realize that when we arrived in Johannesburg that there were preparations taking place in Cape Town for the 50<sup>th</sup> anniversary to commemorate the Ripple of Hope speech by Robert Kennedy. I didn't realize it. What I did realize when we were opening a store in Johannesburg was that the unfortunate thread between Ferguson, Missouri, and Johannesburg, a lifetime away, was virtually the same. And that was a lack of hope, a lack of opportunity and prejudice. I sat down with these kids, about 50 of them who were getting ready to open our two stores in Johannesburg, and I learned

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that they had never has a job in their entire life. I went to visit them in the townships where they lived and I saw poverty like I had never seen before, but I also saw joy. When they put on their green apron, the pride, the self-esteem, the hope, the opportunity, the self-respect was unbelievable, just like exactly a mirror image of our situation in Ferguson, where the kids we hired in Ferguson never had a job, and the people who were supplying us with food didn't have any resources. As I sat down with these kids in South Africa and heard their personal story and walked the townships with them, I kept hearing a word I had never heard before, over and over again. An African word. Finally, I got the courage and I said, "What is that word you keep saying? What is it?" And it was almost like they could not wait to rise up and tell me the word, "Ubuntu."

"Ubuntu," I said, "What does Ubuntu mean?"

"I am because of you. I am because of you."

And I almost had tears on my face when they were sharing with me what it means. They had so little, and yet they are, because of us.

As I thought of what could I possibly say tonight, especially following the choir, Vice President Biden, Scott Minerd, Alec Baldwin. What could I possibly say? I can imagine, with great respect to Mrs. Kennedy and all the Kennedys that are here, I can imagine Robert Kennedy saying, "I am because of you."

And I say to all of you, at a time in America where the American people are facing such a crucible of history, we need to be, because of each other.

Thank you very much.