BRAD SMITH: Hello, everybody. I'm delighted to help welcome you this year to Microsoft Inspire. Every July is a special time for those of us who work at Microsoft, because we get together with all of you. We get together in person, we talk together, we get to be together. It's a reminder every year to me that Microsoft isn't just a company, it's a community.

Well we can't get together this year, but out of every challenge there's a new opportunity. I bet you're asking yourself right now, why am I sitting in a kayak? Well, we can't be together in person, but with this video format, I can not only talk to you about what I usually talk about at Inspire, Microsoft's role in the world, but also show you around our community, Microsoft's hometown, Seattle.

Let me start with where I am right now. The waters here were, for generations, the home of the Duwamish Native American tribe. Now, this is what's called Lake Union. I think that word union means something for us today, because this lake would ultimately unite not only the waters of this region, but help Seattle come together and bring a new union of people from North America to Asia and beyond.

And when you think about our community all together, that's what we're using digital technology to do today, to serve the world, to bring the world together. Let me show you around and we'll talk about what we're doing around the world. Come with me.

Before we leave Lake Union, if you're like most visitors to Seattle, you may have one more question. You may be asking yourself, is this where they filmed the movie Sleepless in Seattle? The answer is yes. This is the lake and that's the house. Now you too can say you've seen it, virtually, the way we see everything in the year 2020.

Well, this isn't your typical tour of Seattle. I brought you to a 65-year Seattle tradition, a place called Burgermaster. The reason I brought you here is because this location in Bellevue happens to be directly next door to the building where the young Microsoft was located in the early 1980s. After Bill Gates and Paul Allen founded the company, they moved it from New Mexico to this area, and this is where they set up shop. Steve Ballmer joined them. It was in the building next door that the young team gave birth to products like Windows and Word and Excel. They're still with us today, but they gave birth to something bigger still, something that I think matters even more to all of us who are part of the Microsoft community today.

It was a big mission. It was a mission to put a computer on every desk and in every home. It was radical at the time, so radical that the CEO of the second-largest computer company in America said, there is absolutely no reason anyone would ever want a computer in their home. Well, not surprisingly, that company no longer exists, but we've always been a company that believes in a big mission.
Now, Burgermaster, interestingly enough, was important for a second reason as well. In those early years in the '80s, every Microsoft employee next door had this restaurant on speed dial. If it was lunchtime, they'd pick up their phone, place an order, and walk over and pick it up. Its popularity remains today, as you can see. In fact, people like Bill Gates still stop by here and buy lunch.

I'm here. It's time to order lunch, too. Let me see if I can get it.

**BURGERMASTER EMPLOYEE:** Here you go, sir.

**BRAD SMITH:** Thank you.

**BURGERMASTER EMPLOYEE:** No problem.

**BRAD SMITH:** How much do I owe you?

**BURGERMASTER EMPLOYEE:** Well, actually, that gentleman over there took out the tab.

**BRAD SMITH:** He did?

**BURGERMASTER EMPLOYEE:** Yeah.

[Camera pans to Bill Gates, who smiles and takes a sip from a soft drink in a car parked at the Burgermaster.]

**BRAD SMITH:** Well, that's pretty amazing.

See what I mean?

We're now in downtown Seattle at the Seattle Aquarium, as you can see from a few of my friends here, these otters. The Seattle Aquarium is one of the largest aquariums in the country, and it has a great and compelling mission. It's to inspire the conservation of our marine environment. I think that's a mission that speaks to some important work that we're doing as a company and a community.

But before I dive into that, let me show you some other spectacular views that I think really frame all of this really well. So, come with me.

Well, now you see behind me Puget Sound. It's one of the great sites in this region. It's where the waters of the Pacific meet the mountains of North America. It's an estuary more than 900 feet deep, dug by the last glacier that left this region 17,000 years ago. And as you can see when you look around, I think you get a glimpse of why it's pretty easy for the people who work at Microsoft in this part of the world to get so excited about what we need to do when it comes to environmental sustainability.
As you know, in January, Satya, Amy Hood and I, together with Lucas Joppa, our Chief Environmental Officer, came together, and we laid out a four-part approach, focused on carbon, water, waste and biodiversity.

Now, we said in January that we'll be carbon negative as a company by the year 2030. That means we'll be removing more carbon than we emit from the environment by the end of this decade.

Well, across Microsoft and with our partners, people have been hard at work. There's a number of concrete steps we're launching this week. It starts with a new coalition that is bringing together leading companies who are prepared to take leading steps to really reduce their emissions, to work together and ultimately innovate and share best practices.

That's then coupled with a new technology step, because this week, we're announcing the private preview of the Microsoft Sustainability Calculator. It's based on Dynamics and it will enable our customers and partners to measure the Scope 1, 2 and 3 emissions from all of their IT usage.

To become carbon negative by 2030, we have to be focused on reducing our own emissions. It starts with the reduction of our own Scope 1 and 2 emissions. These are our own diesel or electricity emissions, and specifically what we're saying this week is that all of our datacenters around the world will be diesel-free by the year 2030.

The even bigger step that we're launching this month is the first concrete things that we are needing to do to reduce our Scope 3 emissions, because as we said in January, we need to reduce those by more than half by the end of this decade. So, the first of this month, the first day of the fiscal year, our new internal carbon tax to tax every part of Microsoft on Scope 3 emissions took effect.

As part of that, what we are now doing is rolling out for our supply chain a new set of sustainability reporting requirements. Specifically, what this will do is require our suppliers to report in a consistent way their Scope 1, 2 and 3 emissions.

But to be carbon negative, we need to do more than that. We need to remove carbon from the environment. During the next 12 months, Microsoft will take concrete steps to remove a million metric tons from the environment. We just issued an RFP to source the supply that we need to start to remove all of that carbon, and we're announcing the first investment out of the billion-dollar carbon innovation fund that Amy Hood shared with everyone back in January.

We've recognized that we need to think about and address environmental equity as a broader issue, because when you think about it, these carbon and environmental issues don't affect everybody in the same way.

In the Global South, there's a tension with real development needs for those economies. Even in industrial countries, there are different needs for rural communities that are, say,
transitioning off of coal, or communities of color in urban cities in the United States. The data shows, for example, that African American and Black individuals are exposed to 50% more hazardous pollution in the United States than the white citizens of this country.

To address that, we're announcing this week a new partnership with Sol Systems. With this company, we will be investing in the creation of 500 megawatts of solar energy; solar energy that will be delivered to under-resourced communities and which will prioritize, as we purchase this energy, businesses that are owned by women and minorities.

You put all of this together, and I think it speaks to two really important things. The first is our commitment to take the principles and the goals that we announced in January and turn it into action in July. And thank you to everybody across Microsoft and the partner community that have come together for months of hard work to get us to this point.

There is a second aspect of all of these steps that I think have a bigger meaning still. It's what all of this means to our mission, as a company and as a community. Think about the big mission that Satya created in the year 2014, a big mission that built on the already big mission created by Bill Gates and Steve Ballmer. It’s a mission that pledges all of us as employees and as partners to empower every person and every organization on the planet to achieve more.

One of the things we've all learned is that you can't empower everyone around the world if we can't do what it takes together to save the world. We have some other big responsibilities as well. To share a little bit about that, come with me as we go a little bit farther south, down the way on Puget Sound.

Well, we're now in Olympia, Washington, and as you can tell, it's the state capitol. As you might have surmised, the name Olympia comes from Olympia in Greece, a city with an extraordinary history of its own, and coincidentally, just about the last place I had the chance to visit in February before COVID brought travel to a halt.

Now, in Olympia, Greece, we're working with the AI for Cultural Heritage Program to bring to life ruins that were built as early as 776 BC, the time of the first Olympics, and we're working in partnership with the Greek government, with the prime minister, the Ministry of Culture and a terrific Microsoft partner, Econet (ph).

Now, this Olympia, interestingly, has quite a history of its own, because thousands of years before the first Olympics, the native population in this region was right nearby, right at the southern end of Puget Sound, because it was such a good place to collect and harvest shellfish, and therefore, this became quite a place for gatherings. It ended up as the state capitol, in part because a Black man named George Bush in the 1840s, left Missouri to try to avoid prejudice, got to Oregon, and was told that he could not live there. So, he and his friends came north and they settled right here.

And this capitol today is really symbolic of the kinds of places that increasingly bring us as a community all around the world to address the issues that today are really
fundamental to the protection of people's most important rights. This is one of the many places where we're working to safeguard democracy.

This year, our AccountGuard program is now up and running in 30 countries, almost half of the world's democracies. It's being used to protect more than 2 million email accounts, to protect politicians and government officials and think tanks from cyber-attacks. It's just one part of our Defending Democracy Program.

Now, in recent months, we've done even more to expand our work to address people's fundamental rights. We've built on what we started five years ago to address issues in the United States around racial inequity.

In fact, in this building three years ago, we launched with the Washington legislature the 21st Century Policing Program. It's a program that is protecting people by providing more capability on de-escalation techniques for police officers across the state.

And just last month, we launched a five-year, $50 million initiative to address racial inequity, not only by police, but by the courts and prosecutors.

All of this connects to a second important set of issues that we're working to address here in Olympia and around the world. Let me take you inside. I'll put on my jacket, get my mask. I can show you and tell you a little bit more.

This is the governor's conference room inside the capitol building. On the other side of that door is the governor's personal office. It's at this table and in this chair that a bill becomes law, because this is where the governor signs a final piece of legislation.

There's a little known fact that's actually one of my favorite stories about this place, because in the governor's personal office, there's a conference table very much like this one. But the governor who was serving in the late 1970s came in, she looked around and brought in a carpenter. The carpenter sawed off part of the chair legs so that all of the chairs except her own would be shorter and she would tower above everyone. Now, that was 40 years ago, and no governor since has asked for the money to fix that.

It's in buildings like this, capitols around the world where the company, our community is really working together to advance trust in technology, addressing issues like privacy and cybersecurity, digital safety and the ethics and human rights and artificial intelligence. That is what brought us here and to many other places to do, now, two years of work to address the issues around facial recognition.

Here, at the end of March, the governor signed into law, for the very first time anywhere in the world, a law to provide safeguards around facial recognition to ensure that companies that offer it must make it available for testing against bias, to require that law enforcement must get a court order, a warrant, before they engage in surveillance, to require that it can't be used, at all, for surveillance of peaceful protesters.
These are building blocks for the future. They are the types of things that we're seeking to advance around the world to preserve trust in technology. It's really vital for what we're trying to do.

I think that's a great transition to an even broader set of issues that we're working to address. They're issues that take us back to Seattle, to one of the most prominent sites the city has to offer. Come with me.

Well, nothing says Seattle quite like the Space Needle. It's clearly an icon for the entire region. It was built for the 1962 World's Fair. It was first designed on the back of a napkin, inspired by the tower in Stuttgart, Germany. It took a community to make it real because it wasn't built by the government. It took community leaders to find the land, to raise the money, and then it was a mad dash to the finish to get it done in time. They brought in 467 cement trucks. Within 12 hours, they filled a hole 120 feet wide and 30 feet deep, and of course, it still stands proudly today. So, come join me as we go to the top.

Well, as you can see, the view from the top of the Space Needle is magnificent. In the distance you see the snow-capped peak of Mount Rainier, one of the tallest mountains in the United States. And down below, you see the city of Seattle. People increasingly refer to it as Cloud City, and for good reason. It's not just what Microsoft started and what a company like Amazon has added to. There are now 80 tech companies headquartered in Silicon Valley that have engineering offices in this city.

I think the word Cloud City also speaks to us in another way, because it really calls to mind the incredible responsibility that we have at Microsoft and as a community to support people around the world as they use the cloud.

In so many ways, as we look to the decade ahead, that increasingly starts by thinking about the digital sovereignty of every nation, to make sure that what is created in this area is accessible to every nation, and to do that in the right way, not just to respect but to protect digital sovereignty, to protect the privacy of a nation's citizens, to protect its national security as well. It also means promoting local economic opportunity, and that's what we're doing as a company.

That's in part why we launched this spring our Open Data Campaign. It's really all about making sure that the economies of scale for data and AI are available to every country, to every economy, to every business, large and small, as we take new steps to bring this to life, to make it real for more parts of the world.

But in a very important way, our need to serve the world, to serve every local economy around the world is even broader than that, because we have a huge focus, a pillar, if you will, that is all about ensuring inclusive economic growth and inclusive economic recovery to the COVID-19 recession.
In a lot of ways that starts with access to broadband. As we've been saying, broadband is the electricity of the 21st century. Without broadband, a local community cannot get the best of healthcare, the best of education, the best of job creation and local economic opportunity.

But in the distance, even here, you can see communities that don't have access to broadband today. And what's true here is true in many countries around the world.

That's why we're driving forward with our Airband Initiative. It's why we're operating now in 20 countries and 25 states in the United States. It's why we're serving 16 million people through partnerships and with new technologies like TV whitespaces.

But, of course, perhaps not surprisingly, one of the things we've learned is that access to broadband is not sufficient to enable local communities to take advantage of the cloud. To do that, people also need access to skills, digital skills.

That's why through Microsoft's Philanthropies we've been building for several years and why we launched just last month the biggest skilling initiative in Microsoft's history, an initiative that we'll bring to 25 million people around the world before the end of this year access to new learning content on LinkedIn Learning and through Microsoft Learn, new certifications, new connections to pursue jobs.

As we look to the future, as we think about LinkedIn as really being the heart and soul of this effort, but with a connection throughout all the parts of Microsoft, it is so clear that we have a huge opportunity. As Satya has said, we will create a system of learning, not just for employees and job seekers but for employers as well, and we're putting technology innovation to work, as we are with our new app for Teams, as we highlighted last month.

There's a final dimension to this focus on inclusion, and that's about reaching the people who are underserved. In some cases, these are underserved communities of color in the United States, and in other ways, it really calls on us to always remember the importance of the more than billion people on this planet who have such talent but live every day with a disability. That's why we've made this a priority for the company as a whole, and why we're continuing to innovate with better products that better serve people with disabilities.

When you put all of these pieces together, I think it really highlights, especially with this standing behind me, the huge opportunity and responsibility that we have. In a sense, that's a good segue to the final location where I want to take you, to Microsoft's campus in Redmond. So, come with me.

I thought this would be the perfect place to bring our tour to a close. Behind me, you see 10 construction cranes. We're at the heart of Microsoft's campus in Redmond. A century ago, this was a chicken farm. Even until 1986, it was a field until Microsoft moved here, having left that building next to Burgermaster. Today, you see the heart of a new campus
rising, 17 new buildings, sports and recreation fields, even an outdoor plaza with seating for more than 10,000 people at an event like this.

But for me, it's more than a construction site. It's a metaphor. Think of this. If you've ever lived in a big city, one of the things you learn is that before you can build a big building, you first have to dig a deep hole. Think about the world we live in, in the year 2020. Let's face it, we're all in a pretty deep hole. But as Satya has said, it's an opportunity not just to rebuild, but to reimagine the future, not just on a campus, but for every country in which we do business, every country where we work with our partners.

We have the opportunity to look to the decade ahead and put the best of digital technology to work, to protect people's fundamental rights, to preserve trust in technology, to advance environmental sustainability, and to combine the protection of public health with what it'll take for a more inclusive economic recovery.

Whether you're an employee who works here or somewhere else in the world, whether you're a partner who works with us, whether you work in a building or you work at home, what matters is the opportunity that we have to move forward and do all of this by working together.

I'm excited about what the future holds. Thanks for joining me. Thanks for tuning in.

END