Statement on Conflict Minerals
CPI Card Group®

CPI Card Group recognizes the potential of the production of minerals to bolster development and sustain livelihoods by generating income, growth and prosperity. However, under certain circumstances mining and the trade of minerals may support conflict and there is a risk of contributing to adverse impacts, including serious human rights abuses. CPI Card Group is committed to ensuring that it conducts its business worldwide with respect for human rights and in compliance with all applicable laws and fair labor practices.

Along with governments, non-governmental organizations, the investment community and other corporations, CPI Card Group is concerned with human rights violations, such as forced labor, sexual violence, human trafficking and child labor, which we understand are occurring in the Democratic Republic of Congo and adjoining countries (the "DRC region") as a result of the civil discord there. We understand that the armed groups responsible for the conflict in the DRC region may be directly or indirectly financed by the mining of and trade in the ores from which tin, tungsten, tantalum and gold are derived.

In recognition of the link between the global minerals trade and the financing of armed groups in the DRC region, the United States Congress passed Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requiring companies to publicly report on their use and the source of these minerals. In August 2012, the United States Securities and Exchange Commission (SEC) adopted a final rule under the Securities Exchange Act of 1934, Rule 13(p)-1, requiring SEC-reporting companies that manufacture or contract to manufacture products that contain "conflict minerals" to conduct due diligence on the origin, source and chain of custody of such minerals and provide specialized disclosure regarding the findings of such diligence. The SEC currently defines "conflict minerals" to include tin, tungsten, tantalum and gold.

Tin, tungsten, tantalum and gold ("3TG") are essential in the manufacture of many of our card products. Although the metals supply chain involves multiple direct and indirect parties, CPI Card Group has instituted procedures and reporting systems to conduct the necessary diligence to comply with Rule 13(p)-1.

We monitor our supply chain to determine the use, country of origin and source of 3TG minerals in our product portfolio. Using a documented reasonable due diligence process, as suggested by the Organization for Economic Cooperation and Development (OECD) guidelines, we continue to work closely with our suppliers to determine the presence of 3TG in our supply chain. In furtherance of our commitment, we:

- Expect our suppliers to source materials from suppliers who also source responsibly, including from legitimate, conflict-free mines in the DRC region, or preferably from mines outside of the DRC region;

- Require all our 3TG suppliers to conduct the necessary due diligence and provide us with proper verification of the country of origin and source of the materials used in the products they supply to CPI Card Group;

- Support initiatives to verify smelters and refiners that are conflict-free, and expect our suppliers to utilize any such conflict-free smelter/refiner programs that are available;

- Reserve the right to verify any information received from our suppliers.

If a supplier is found to not be in compliance with these objectives, the supplier is expected to develop, implement and document plans to remedy such non-compliance in a timely manner. If the non-compliance cannot be resolved, we reserve the right to terminate the relationship with the supplier.

Our actions support CPI Card Group's commitment to respect the human rights of all people and to improve the quality of life in the communities we serve.

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