2021 Sustainability Report

CUMBERLAND® PHARMACEUTICALS

To our shareholders, colleagues and partners –

Cumberland Pharmaceuticals, the largest biopharmaceutical company founded and headquartered in the Mid-South, is committed to our mission:

Advancing patient care through the delivery of high-quality medicines.

Founded and headquartered in Nashville, Tennessee, Cumberland was introduced to the medical community through the development and launch of Acetadote®, a potentially life-saving treatment for the leading cause of poisoning in the United States. We have subsequently built a portfolio of eight FDA-approved brands, including our newest addition, Sancuso® – an innovative, oncology support product designed to assist patients who receive certain types of chemotherapy.

We are pleased to present this third annual Sustainability Report detailing activities around Cumberland's environmental, social and governance standards for 2021. We remain dedicated to sustainability while maintaining the transparency of our corporate operations.

While delivering growth and profitability is key to sustaining our business, we also understand the importance of recognizing and addressing our impact on the environment, our employees and the community. Through our sustainability initiative, we will continue to identify and address critical industry issues, monitor relevant guidelines and utilize best practices.

Our team is our most valuable asset, and as the pandemic endured in 2021, we continued to focus on the health and safety of our organization. Our colleagues worked hard to continue the delivery of our products in support of patient care, while also developing new medicines for the future.

Our sustainability standards are based on the following pillars:

- Providing ethically produced and delivered medicines while minimizing risk to our patients
- Serving our community through relevant associations, sponsorships and contributions
- Establishing reasonable prices for our products based on the value they deliver, with modest annual increases
- Complying with the vast regulations that govern our business as a publicly traded biopharmaceutical company
- Ensuring a safe, rewarding and enjoyable work environment for all involved in our organization

Cumberland has established these standards as a solid foundation to build upon, as we continue to grow and prepare for a bright future. This annual Sustainability Report reflects our commitment to updating you on our progress.

All the best,

Caroline R. Young

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ESG Board Director

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About Cumberland Pharmaceuticals, Inc.

We are a specialty pharmaceutical company focused on the acquisition, development and commercialization of branded prescription biopharmaceutical products. We are committed to improving the quality of care for patients by providing innovative products that address underserved medical conditions.

While we pursue our mission to enhance patient care by delivering high quality medicines, we also work to create solutions that may reduce costs for medical providers, healthcare systems and, subsequently, patients.

Cumberland's commercial portfolio includes eight FDA-approved brands:

Our newest product, Sancuso, is a unique, FDA-approved oncology support patch indicated for the treatment of nausea and vomiting in adults receiving certain types of chemotherapy. We acquired the U.S. rights to Sancuso in December of 2021.

Our diverse product portfolio is involved in several specialty market segments including hospital acute care, gastroenterology, rheumatology and oncology.

These medical specialties feature prescriber bases that we can support through our targeted sales forces. We promote our approved products through our hospital, field sales and oncology divisions across the United States and have established a network of international partners to bring our medicines to patients in their countries.

Cumberland has well-established product development and commercialization capabilities. We believe that we can leverage our existing infrastructure to support our growth.

Our strategy is to maximize the potential of our existing brands while continuing to build a portfolio of differentiated products:

- We seek opportunities to expand the use of our brands into additional patient populations through sponsored studies, new presentations and support for select, investigator-initiated studies.

- We actively pursue opportunities to acquire additional marketed products as well as late-stage development product candidates in our target medical specialties.

- We are also developing a pipeline of new product candidates, primarily to address unmet medical needs.

We are supplementing these activities with earlier stage drug development at Cumberland Emerging Technologies (CET), our majority-owned R&D subsidiary. CET partners with academic research institutions to identify and progress promising, new product candidates for Cumberland to develop and commercialize.

We are headquartered in Nashville, Tennessee and our shares are traded on the Nasdaq Stock Exchange. More information on our Company and products can be found on our website at www.cumberlandpharma.com

2021 At A Glance

Environment

Supplies	We contracted with third-party companies for the manufacturing, packaging and warehousing of our products.
Waste	We ensured strict guidelines and processes for the safe, permanent disposal of all unused product.
Returns	During 2021, we disposed of 6,291 lbs. of damaged and expired products.

Social

Employees

Male/Female	56% / 44%
Minorities	15%
Ages	9% below 30, 53% between 30 & 50, 38% over 50
Tenures	13% @ 5 or more years, 33% @ 10 or more years, 5% @ 15 or more years
Turnover	33%
Additions	22%
Career Development Program	Available to all corporate employees
Cumberland Academy™	Provides industry training for corporate employees
Training	Average $4,000 per full-time employee
Work-related injuries	None

Patients

Product Provided	***2.43 million*** patient doses
Drug Safety Results	• No products listed in the FDA's MedWatch Safety Alerts • No products identified in the FDA Adverse Event Reporting System • No products recalled
Patient Affordability	We cover up to 90% of patient Rx costs through coupons for our GI brands
Clinical Trials Safety	No trials terminated due to failure to practice good clinical standards
Advocacy Groups supported	Muscular Dystrophy Association and Parent Project Muscular Dystrophy

Community Involvement

Cumberland Pharma Foundation	Contributed to Denver Health, Mississippi State University, Tennessee State Museum, American Heart Association, Tennessee Historical Society & University of Mississippi
Sponsorships	Wall Street's View on Prospects for the Healthcare Industry and Women to Watch in healthcare
Associations	• Nashville Health Care Council • Life Science Tennessee • Nashville Chamber of Commerce
Life Sciences Center	Helping to build the biopharmaceutical industry in Middle Tennessee

Governance

Board

Independent	6 of 8
Tenure	Average 10.4 years
Age	Average 67 years
Male / Female	7 / 1
Turnover	1
Board Meeting Attendance	100%

Government Relations

Cumberland Health & Wellness PAC	Supports candidates, elected officials and relevant legislation

Compliance

Code of Conduct	Establishes guidelines for all Board members and employees
Ethical Marketing	No government judgements, decrees or fines
Health Care Professionals	All reports regarding relations filed on time

ENVIRONMENT

Manufacturing and Supply Chain Quality Management

Cumberland works with FDA-approved, third-party organizations to manufacture, package and store our brands. Each of the Company's products and candidates is manufactured by one or two key suppliers.

The FDA implements a facilities inspection program which requires all manufacturers of our products and candidates to follow current Good Manufacturing Practices. Quality control, quality assurance, and the preservation of records and documentation are compliance requirements.

Cumberland qualifies our suppliers, oversees their manufacturing of our products and then approves the release of each lot emerging from those facilities. We serialize every sellable unit of our products to establish a record of their distribution.

During 2021, the packager of our Omeclamox-Pak® product was working to reopen after having encountered difficulties and therefore suspending operations during the pandemic. Additionally, we began transitioning to and obtaining FDA approval for a new manufacturer for our Vaprisol® brand. While waiting on these developments, we shipped all remaining inventory of both products and encountered an out-of-stock status.

SOCIAL

Employee Recruitment, Development, and Retention

Cumberland Pharmaceuticals employs an experienced team of professionals who are committed to our vision.

By design, the work environment is challenging, enjoyable and rewarding. The corporate and field-based employee appreciation incentives and programs we create help to establish a supportive workplace that we believe is essential to a vital organization. Our staff development efforts and ongoing education programs allow our employees to expand their knowledge about the biopharmaceutical industry and enhance their career aspirations.

The Cumberland Academy™ is a one-year industry training program open to all eligible home office employees. Cumberland's human resources team manages our Employee Career Development Initiative, which includes a discussion of responsibilities and goals as well as an opportunity to explore each employee's career objectives. In 2021, we invested an average of $4,000 per full-time employee in training and development. Those activities included clinical, staff, human resources and management training, as well as sales training, seminars and professional continuing education programs.

We appreciate our employees and maintain a culture that acknowledges and celebrates their accomplishments. Cumberland recognizes and honors our team members for their outstanding dedication and performance through four different award categories throughout the year.

The health of our personnel is of utmost important to us. We encourage self-care through our Cumberland Health and Wellness Program by incentivizing every member of our staff to have an annual physical.

Our diversity profile and hiring practices are audited and evaluated by an independent firm. According to the most recent data, women make up 44% of our workforce, and 15% of our employees are minorities. The Company's turnover for 2021 was 33%, and we took that opportunity to appoint an outstanding group of new hires to fill vacancies as they arose.

Employee Health and Safety

Cumberland is committed to providing a safe working environment that values respect, equality and dignity, which our employee handbook addresses through several key policies. We believe everyone has the right to work in an environment that is free of all forms of discrimination and inappropriate behavior.

The Company recognizes the problem of drug and alcohol addiction and has established a comprehensive substance abuse policy. Our corporate headquarters provides a safe environment and is located in a weapons-free building. In addition, when our employees travel, we encourage them to stay in hotels that provide a safe environment, including a safe place to park their vehicles.

Cumberland had no work-related injuries and a Days Away, Restricted or Transferred rate of zero in 2021.

COVID-19 Initiative

In 2021 the COVID-19 global pandemic continued with the highly contagious Omicron variant.

To support our associates and their families, we continued to offer a hybrid remote work option, which provided our team with more flexibility to choose where they worked.

We installed reverse-ionization filters in the ventilation system of our corporate facility to provide protection for those working throughout the building. We also provide HEPA/UV air filters throughout our offices and copper mats at every entrance, with masks and sanitizer also available. In 2021, 84% of Cumberland employees were vaccinated, encouraged by our Company vaccination incentive program.

Cumberland Culture

Cumberland has established a company culture based on professional standards of conduct, with the goal of protecting the interests and safety of all colleagues while also providing a favorable working environment.

Patient Affordability

Cumberland is committed to providing prescription medications that improve the quality of care for patients and address poorly met medical needs. We strive to create solutions that help reduce costs for healthcare providers and patients.

For example, we offer a coupon program that helps cover out-of-pocket patient costs for our Company's retail products.

Fair Pricing

Cumberland's policy is to compete fairly and comply with laws designed to regulate all aspects of our business - including those address competition and pricing. In 2021, the annual U.S. Consumer Price Index increased 3.4% and the Producer's Price Index (PPI) increased 9.7%. For the pharmaceutical preparations category, the PPI increase was 2.1%.

During 2021 price increases for Cumberland's products averaged 3.3% with a range from 0% to 6.5%. These represent increases in our products' average wholesale acquisition costs, which are our list prices and do not include the discounts, rebates or patient coupons that we provide.

Community Involvement

In the interest of giving back to the community in which we live and work, our Board of Directors decided to form the Cumberland Pharma Foundation. As the philanthropic arm of Cumberland, the Foundation provides sponsorship support to select organizations whose activities align with Cumberland's mission. The Foundation is honored to have had the opportunity to donate over $33,000 to various non-profit organizations in 2021.

In addition, Cumberland Pharmaceuticals was a presenting sponsor of the Nashville Medical News' Women to Watch event and of the Nashville Health Care Council's signature event, Wall Street's View on Prospects for the Health Care Industry, in 2021.

GOVERNANCE

Drug Safety and Side Effects

Cumberland prioritizes drug safety, implementing extensive measures to ensure the safety of our products in collaboration with the FDA.

The FDA is responsible for ensuring the safety and efficacy of pharmaceuticals sold in the United States. They divide the responsibility into two phases. In the pre-approval or pre-market phase, the FDA evaluates drug manufacturers' applications that contain safety, efficacy and manufacturing information needed to commercialize their products in the United States – as a prescription medicine cannot be sold unless it is approved by the FDA. In order to obtain the FDA's approval, Cumberland must verify the drug's safety and efficacy in accordance with legal and FDA requirements.

In the post-approval or post-market phase, the FDA continues to monitor the drug's efficacy and safety, reviewing the product's labeling, packaging, prescriber information, promotional materials and patient brochures.

In 2021, we had no products listed on the FDA's MedWatch Safety Alerts for Human Medical Products list, and no products identified in the FDA Adverse Event Reporting System. Additionally, none of our products were recalled in 2021.

Strict procedures are in place for the safe and permanent disposal of obsolete products at the end of their lifecycle. In 2021, we received 6,291 lbs. of damaged and expired items for disposal. Once the product is accepted for disposal, it is transported to licensed facilities and processed in various ways. Non-recyclables are converted into usable energy. The residual waste is incinerated to destroy the dangerous components, which leaves ash, gas and heat. All gas by-products are then treated and purified before being released into the atmosphere.

Counterfeit Drugs

Cumberland is committed to producing the highest quality of pharmaceutical products to meet or exceed the needs and expectations of our customers. All products are prepared according to Good Manufacturing Practices in facilities with appropriate accreditation. We understand counterfeit drugs exist in the pharmaceutical industry, so we have implemented stringent initiatives and procedures to prevent any from entering the market under the Cumberland brand. We have had no raids, seizures, arrests and/or filings of criminal charges related to counterfeit products.

If there is a potential or known risk associated with a counterfeit product, Cumberland sends a letter of notification to all hospital chain corporate offices and integrated delivery networks. The letter is also sent to pharmacy directors and medical directors of all hospital chain facilities nationwide, ambulatory surgery centers, affiliated health care facilities, wholesalers, distributors and pharmacies. Additionally, the Cumberland Pharmaceuticals sales team is notified and advised to contact their individual accounts with the pertinent information. For retail products, Cumberland alerts all retail pharmacies and corporate offices of pharmacy chains.

Furthermore, Cumberland serializes all commercial products sold in the United States, which allows us to track every unit sold.

The Serialization System

The following system enables wholesalers to know where each serialized unit has been sold, and also identify what health care facility has returned a specific unit of product. Every serialization identifier is kept in a master database for Cumberland's reference at any time.

- We establish a communication platform with our manufacturing facility.
- The platform enables the manufacturer to assign a unique *product identifier code* to each product.
- The manufacturer then ships the finished product to a designated warehouse.
- The code is logged into the warehouse system and verified.
- Upon product shipment to wholesaler's customers, the warehouse provides each customer with a code list.
- The codes are also printed on each product's unit of sale and scanned by the wholesaler.
- The wholesaler records and maintains this information.

Safety of Clinical Trial Participants

In our clinical trials, the participants' safety is our highest priority.

Cumberland's informed consent approach ensures that everyone who takes part in one of our studies has considerable information to make an informed decision about their participation in the clinical trial.

To facilitate a candidate's understanding of the information, our investigator or a study staff member conducts an interview with the candidate to explain and discuss the contents of the informed consent document. This process occurs under circumstances that minimize the possibility of coercion or undue influence.

We then provide the candidate with an appropriate amount of time to ask questions, discuss the research study with family and, ultimately, decide whether they should participate in the study. We offer them a stipend for their time and effort, as well as reimbursement of expenses incurred for travel and lodging while taking part in the study.

Candidates are fully informed of the benefits and risks before they volunteer to participate. If the candidate decides to enroll in the study, they then sign the informed consent document. This document must be signed by participants prior to the initiation of any study procedure and their receipt of study drug. However, it is not a binding contract, and the participant may withdraw from the trial at any time.

Cumberland continues to provide information to all study participants as the clinical trial progresses or as a situation requires.

Throughout our trials, Cumberland complies with all requirements of the International Conference on Harmonization's Good Clinical Practice guidelines as well as those of the U.S. Code of Federal Regulations. Participant privacy is protected by the Health Insurance Portability and Accountability Act of 1966 so individual participants' names remain private and are not mentioned in any reports.

Each of our sponsored studies adhere to a specific safety and monitoring plan, which outlines the requirements appropriate for the individual study. The plan includes the types of source records to be reviewed, percentages of data points to be verified, escalation and mitigation plans for potential issues, safety reporting for novel occurrences and other relevant information.

Corruption and Bribery

Cumberland has developed standards of business conduct and ethics, and all company associates are expected to comply with the established regulations wherever the Company conducts business. These standards are available on the Company website. Additionally, Cumberland has an anti-bribery policy, and all associates are in compliance, as we have had no fines, settlements or corrective actions brought against us.

Research monitoring and study management activities conducted in the United States are implemented by Cumberland employees. For international research, we use contract monitors who are overseen in a project management capacity by a Cumberland employee.

During each clinical study, if an adverse event is identified, it is verified and reported, covering the following protocols: human research subject protection, investigational new drug (IND) safety reporting and site monitoring visits.

Each of Cumberland's IND applications has its own safety surveillance plan, which details the method and scope of collecting and reporting its safety issues with the assistance of an assessment committee. The committee includes Cumberland's medical director, project managers, and relevant external experts in disease and/or biostatistics.

Ethical Marketing

Cumberland is committed to the highest levels of integrity and ethical marketing, and our employees are dedicated to a culture of excellence in compliance. We strictly adhere to all laws, regulations, and guidelines established by government agencies and industry associates responsible for the oversight of pharmaceutical marketing and sales. As a result, in 2021, no fines, settlements or corrective actions were instituted against Cumberland.

Cumberland employees abide by Pharmaceutical Research and Manufacturers of America, Office of Inspector General and Cumberland policies regarding the illegal practice of off-label promotion for marketing our pharmaceutical products.

Our regulatory affairs department reviews and approves the Company's on-label product messages and promotional materials. These approved on-label materials are the only ones acceptable for use in communications with individuals outside of Cumberland. Initiating any type of off-label discussion places an individual at risk for disciplinary action, up to and including termination.

Data Protection

Cumberland's data privacy and protection is addressed through appropriate Company policies and procedures. These policies are communicated to all employees upon joining the Company and are regularly communicated to staff through various means. Violation of any data security or privacy policy is subject to disciplinary action.

A variety of relevant controls are built into Cumberland procedures. These controls include user authentication, secure storage of data and audit trails. Audits and security reviews are performed regularly to ensure a rigorous information technology governance framework.

Patient Data Privacy

We have established a series of procedures to protect the privacy of those enrolled in our clinical trials. Study participants provide written consent allowing Cumberland representatives to see their protected health information. Medical and study records are located only at the hospital or clinic research center, and authorized Cumberland personnel can only access the patient information while physically on site at the facility.

If images of the original medical records are removed or transmitted elsewhere, all identifying information, including name, contact details, driver's license number and social security number, is redacted. Additionally, all participants in clinical trials are identified with a subject number, and any patient information captured, viewed or analyzed at Cumberland is identified only by that number.

Cybersecurity Preparedness

We are focused on managing cybersecurity risk to protect the Company against security treats. As such, we have state-of-the-art systems in place to detect and respond to security incidents. Our corporate staff receives periodic security trainings as well as reminders to be alert to potential cyberattacks. Cumberland engages industry-leading third-party security solutions that follow industry best practices to manage cybersecurity risk.

WE ARE WORKING TO DELIVER MEDICINE FOR THE FUTURE

CUMBERLAND®
PHARMACEUTICALS

Visit CUMBERLANDPHARMA.COM *to learn more.*

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