

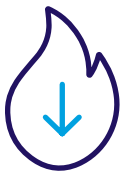
2024 PERFORMANCE HIGHLIGHTS AND QUICK REFERENCE MATERIALS



Performance Targets

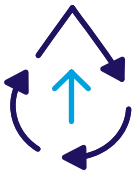
In late 2021, we set forth short- and medium-term environmental emissions targets (that relate to Texas operations), and have met, or are on target to meet, each target as follows:

1. Zero routine flaring at all SM Energy operations and non-routine flaring not to exceed 1% of natural gas production, each by 2023 (Klondike assets acquired mid-2023 not included) based on the full year average;
2. Reduce Scope 1 + 2 GHG emissions intensity by 50% by 2030 with 2019 as the base year; and
3. Maintain already very low methane emissions intensity of 0.04 mT CH₄/MBoe produced or better.



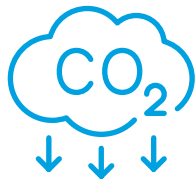
81%

Improvement in Flaring Percentage⁽¹⁾



38%

Improvement in Recycled Produced Water⁽²⁾



39%

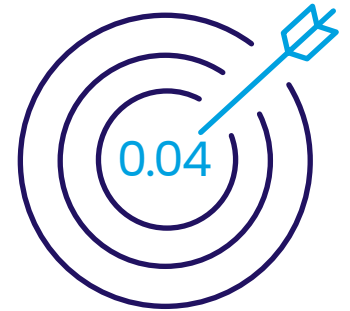
Improvement in GHG Intensity – Scope 1 + 2⁽¹⁾

Well on our way to our goal of

50% → 2030

Reduction

Achieved our Methane Intensity target of 0.04 mT CH₄!



63%

of Board members are Ethnically Diverse or Female

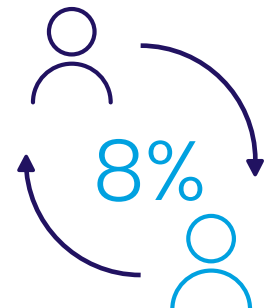
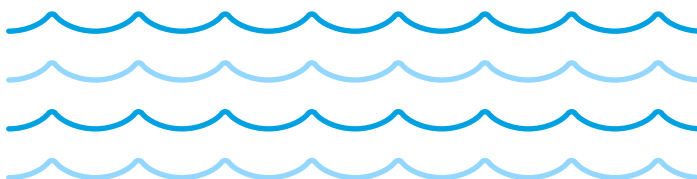
United Way



2023 Recipient of the Mile High United Way Social Impact Award

57%

Improvement in Freshwater Intensity⁽¹⁾



Low voluntary turnover rate

(1) Improvement noted is 2023 compared to base-year 2019.

(2) Improvement noted is 2023 compared to 2022.

The information provided in these performance metrics highlight sheets are as of calendar year 2023 and previous years. On October 1, 2024, SM Energy acquired approximately 63,300 net acres in the core of the Uinta Basin in Utah. The disclosures below relate to 100% of the assets owned as of December 31, 2023, all in the state of Texas.

ENVIRONMENTAL PERFORMANCE METRICS (all data shown as of December 31, 2023 or for the full year)

	UNITS	2023	2022	2021	2020	2019
Emissions						
Flaring Percentage ⁽¹⁾	% gas flared to total gas produced ⁽²⁾	0.46%	0.40%	0.63%	0.81%	2.42%
Flaring Percentage ⁽¹⁾ (excluding Klondike assets acquired mid-2023)	% gas flared to total gas produced ⁽²⁾	0.44%	N/A	N/A	N/A	N/A
Flaring ⁽¹⁾	Mcf gas flared / Boe ⁽²⁾	0.01	0.01	0.02	0.02	0.07
GHG Intensity - Scope 1 ⁽¹⁾	mT CO ₂ e / MBoe ⁽²⁾	6.96	6.71	8.44	8.04	12.65
GHG Intensity - Scope 1+2	mT CO ₂ e / MBoe ⁽²⁾	8.52	8.23	9.88	9.67	14.04
Methane Intensity ⁽¹⁾⁽³⁾	mT CH ₄ / MBoe ⁽²⁾	0.04	0.03	0.03	0.04	0.05
Scope 1 Emissions	thousand mT CO ₂ e	484.5	454.5	578.3	477.8	775.7
Scope 1+2 Emissions	thousand mT CO ₂ e	592.7	557.7	682.9	576.2	862.0
Total Electricity Consumed	GWh	1,965	1,847	2,440	1,659	1,547

Scope 3 emissions: Certain metrics reported in TCFD. Please refer to TCFD Core Element - Metrics and Targets for the categories reported. TCFD is posted to our website at: www.sm-energy.com/sustainability.

Spills

Total Produced Fluid Spill Rate ⁽¹⁾	produced fluid spilled/1,000 Bbls produced fluid	0.006	0.011	0.009	0.014	0.015
Number of Hydrocarbon Spills ⁽⁴⁾⁽⁵⁾	#	14	22	20	23	20
Aggregate Volume of Hydrocarbon Spills ⁽⁴⁾ / Volume Recovered ⁽⁴⁾	Bbls / Bbls	169/126	83/24	86/49	136/90	253/192

Water

Freshwater Used ⁽¹⁾	MMBbl	43.1	52.8	59.0	39.4	90.1
Freshwater Intensity ⁽¹⁾	Bbls of freshwater used / Boe produced ⁽²⁾	0.62	0.72	0.81	0.65	1.44
Recycled Produced Water Percentage ⁽⁴⁾	%	32%	23%	19%	14%	1%

SOCIAL PERFORMANCE METRICS

	UNITS	2023	2022	2021	2020	2019
Safety⁽¹⁾						
TRIR - Employee	Incidents/injuries per 200,000 man-hours	0.00	0.36	0.19	0.00	0.15
TRIR - Contractor	Incidents/injuries per 200,000 man-hours	0.26	0.31	0.56	0.35	0.53
TRIR - Combined	Incidents/injuries per 200,000 man-hours	0.20	0.32	0.48	0.26	0.46

SOCIAL PERFORMANCE METRICS (continued)

	UNITS	2023	2022	2021	2020	2019
LTIR – Employee	Incidents/injuries per 200,000 man-hours	0.00	0.18	0.00	0.00	0.15
LTIR – Contractor	Incidents/injuries per 200,000 man-hours	0.00	0.10	0.10	0.06	0.18
LTIR – Combined	Incidents/injuries per 200,000 man-hours	0.00	0.12	0.08	0.04	0.17
DART – Employee	Incidents/injuries per 200,000 man-hours	0.00	0.18	0.00	0.00	0.15
DART – Contractor	Incidents/injuries per 200,000 man-hours	0.05	0.10	0.26	0.17	0.25
DART – Combined	Incidents/injuries per 200,000 man-hours	0.04	0.12	0.20	0.13	0.23
Preventable Motor Vehicle Incident Rate	Incidents per IMM Miles	0.74	1.32	1.84	1.52	1.13
Total Fatalities	#	0	0	0	0	0
Employee Fatalities	#	0	0	0	0	0
Contractor Fatalities	#	0	0	0	0	0
Total Employee Health and Safety Training Hours	hours	3,713	3,581	1,570	2,040	2,109
Average Health and Safety Training Hours per Employee	hours	6.8	6.7	3.1	4.0	3.8
Human Capital						
Number of Employees	#	541	536	504	504	552
Part-time	#	0	0	1	1	4
Full-time	#	541	536	503	503	548
Employee Gender Diversity	% Female	34%	33%	33%	33%	33%
Employee Gender Diversity	% Female	34%	33%	33%	33%	33%
Officer Gender Diversity	% Female	31%	32%	25%	29%	28%
Employee Ethnic Diversity	% Ethnically Diverse	25%	26%	25%	25%	24%
Voluntary Turnover	%	8.0%	7.5%	7.7%	6.1%	13.8%
Involuntary Turnover	%	3.0%	1.2%	1.6%	8.7%	6.4%
Employees represented by collective bargaining agreements	%	0.0%	0.0%	0.0%	0.0%	0.0%

SM Energy culture and values underscore a workplace where we are all leaders, innovators, collaborators, and where we highly value the professional development of our team. During 2023: 87 employees participated in our leadership learning journey program for approximately 3,650 hours of training, and this program has included nearly 90% of employees to date (since inception in 2018); approximately 20 employees participated in our pilot program LLJ LEAN IN providing 910 hours of training; 7 employees completed a presentation course totaling 35 hours of training; approximately 125 employees participated in our annual geosciences and technical conference providing two days of learning, collaboration, and innovation; our annual internship and compass programs included 29 students and young professionals and offered 1,785 hours of professional development training; and 152 employees participated in DiSC training and workshops within their departments (27% of the company, for a total of 608 training hours).

SOCIAL PERFORMANCE METRICS (continued)

Community

	UNITS	2023	2022	2021	2020	2019
Charitable Contributions	\$MM	1.2	1.1	1.2	1.1	1.5
Community Service Hours	#	2,343	2,241	1,450	1,300	2,700
Local Taxes Paid Midland	\$MM	129.6	169.6	137.6	72.7	95.9
Local Taxes Paid South Texas	\$MM	58.6	71.1	30.0	13.2	28.8
Local Taxes Paid Denver	\$MM	1.7	1.1	1.2	1.1	1.1

GOVERNANCE PERFORMANCE METRICS

Board of Directors⁽¹⁾

	UNITS	2023	2022	2021	2020	2019
Board Members	#	8	8	8	10	9
Independent Board Members	%	88%	88%	88%	80%	89%
Board of Directors – Female	%	38%	38%	38%	20%	22%
Board of Directors Diversity (Ethnically Diverse or Female)	%	63%	63%	63%	40%	44%

Policies

[Human Rights Policy](#)

[Corporate Governance Guidelines](#)

[Financial Code of Ethics](#)

[Code of Business Conduct and Conflict of Interest Policy](#)

Board Committee Charters

[Audit Committee Charter](#)

[Compensation Committee Charter](#)

[Environmental, Social and Governance Committee Charter](#)

[Executive Committee Charter](#)

Compensation

	UNITS	2023	2022	2021	2020	2019
CEO Target Compensation – Variable At-Risk	%	88%	87%	87%	87%	84%

GOVERNANCE PERFORMANCE METRICS (continued)

2023 performance-based long-term incentive compensation grants were tied, in part, to ESG performance (25%), which is further broken down by GHG emission intensity reduction (10%), employee and contractor safety (10%), and ratio of spill volumes to total produced volumes in a year ("spill ratio", 5%). Performance is measured over the three-year program period. In 2023, the Compensation Committee continued unanimous approval of the inclusion of ESG metrics.

2023 short-term compensation for all employees, including executive management, was tied, in part, to environmental and safety targets. The ESG components encompassed the Company's quantifiable performance with respect to TRIR, spill ratio performance, GHG emissions intensity and methane emissions intensity.

What We Do:

Pay-for-Performance: A significant majority of our executive pay is variable and linked to meeting our short-term and long-term financial, operational, and ESG-based goals, aligning incentives with long-term stockholder value creation.

Proper Incentives: Our STIP includes mechanisms to modify payout based on TSR and adjusted free cash flow performance to align incentives with our stockholders' priorities.

Performance-Weighted Compensation: A significant portion of executive compensation is in the form of performance-based awards, with 60% of our CEO's 2023 target LTIP value delivered in performance-based awards.

Compensation Risk Assessment: The Compensation Committee annually reviews an analysis of our incentive compensation plans prepared by its independent compensation consultant to ensure our plans are designed appropriately and do not encourage excessive risk taking, while considering market changes and peer group comparisons.

Target the Median: We generally target pay opportunities for our executives at the market median.

Caps on Incentive Awards: Performance-based equity awards are capped at target payout if absolute TSR is negative for the performance period. Beginning in 2020, the annual cash bonus for executives with the title of Senior Vice President and above is also subject to a downward adjustment if absolute TSR is negative by 10 percent or more.

Clawback Policy: In 2023, we adopted a clawback policy applicable to our executive officers that requires the repayment of certain incentive-based compensation following an accounting restatement resulting from material noncompliance with financial reporting requirements, and that otherwise conforms to recently enacted SEC rules and NYSE listing standards.

Equity Ownership Requirements: We require executive officers and directors to maintain meaningful ownership of our stock to ensure their interests are appropriately aligned with the long-term financial interests of our stockholders.

ESG-Based Incentives: Quantitative and qualitative ESG metrics, including measures related to safety performance and training, spill performance, and greenhouse gas emissions (gross and methane intensity) comprise substantial weightings in our incentive plans.

Independent Compensation Consultant: The Compensation Committee retains an independent compensation consultant.

What We Do Not Do:

No Tax Gross-ups: We do not provide golden parachute excise tax payments or other tax gross-ups.

Limited Severance: We typically do not provide severance benefits in the event of termination without cause, unless it is related to a change of control.

No Single-Trigger Change of Control Severance: We do not provide "single-trigger" cash severance or equity vesting acceleration upon a change of control.

No Dividends on Unvested Equity: We do not pay dividends on unvested restricted stock units or performance share units.

GOVERNANCE PERFORMANCE METRICS (continued)

No Guaranteed Base Salary Increases: Base salary levels are reviewed annually and periodically adjusted based on market conditions, competitiveness, and internal considerations.

Prohibited Transactions: We do not permit officers, employees, or directors to enter into transactions that hedge the value of our securities owned by them, hold our securities in margin accounts, pledge our securities to secure indebtedness, or buy or sell options or derivatives with respect to our securities.

No Excess Perquisites: Executive perquisites are minimal and comprise a very small portion of the executive compensation package.

No Unlimited Cash Bonuses: Annual cash incentive awards are capped regardless of performance against our short-term metrics.

No Employment Contracts: The employment of our executives is “at will,” and there are no written employment agreements with any executive officers.

Footnotes

- (1) American Exploration & Production Council (“AXPC”) approved metric.
- (2) Based on gross operated production.
- (3) As of the date of this publication, the Inflation Reduction Act Methane Emissions Charge is proposed to commence in 2025. The Company estimates that its 2023 methane emissions as a percent of natural gas sent to sale was 70% below the 0.2% minimum threshold subject to the charge.
- (4) Sustainability Accounting Standards Board approved metric.
- (5) Sustainability Accounting Standards Board defines a spill as greater than 1 barrel.

Contact Information

ir@sm-energy.com

Corporate Headquarters: (303) 861-8140