SM|ENERGY

Sustainability Disclosures 2025

Published August 2025
Based on 2024 Data

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Dear Stakeholders:

Whether it's advancing health and prosperity in developing nations or powering the rapid growth of technology here at home—the demand for energy and electricity is projected to continue to grow significantly in the coming decades. At the same time, the importance of energy affordability and energy security have become topics of national concern to ensure long-term reliable solutions.

SM Energy recognizes the need for affordable energy to meet growing demand, and we see our commitment as a responsible energy provider as increasingly important. Our purpose is clear: to make people's lives better by responsibly producing energy supplies, contributing to domestic energy security and prosperity, and having a positive impact in the communities where we live and work. From day one, sustainability has shaped the way we operate at SM Energy—it's not new to us, it's who we are. We do this by operating top-tier assets with a focus on safety, technical innovation, and environmental stewardship. Every year, we set top-tier targets for safety and stewardship, and we invest in our people because leadership development and a strong culture of integrity and collaboration are key to our success.

2024 has been a milestone year. Let me share some of our highlights.

- **Sustainable Profitability.** We expanded our high-quality asset base with the acquisition of assets in the Uinta Basin, adding 103 MMBoe of net estimated proved reserves and over 36 MBoe/day of net production at the time of acquisition. While extending our inventory and growing our production, it also provides the opportunity to integrate SM Energy's leadership in stewardship to the energy produced.
- **Commitment to Responsible Energy Production.** We set forth stringent emissions targets in 2021 and continue to lead with measurable results. We continued to achieve our Texas flaring and methane targets and remain on track towards our 2030 goal of reducing Scope 1 + Scope 2 GHG emissions intensity by 50% from our 2019 baseline. Since 2019, we have reduced our flaring percentage by 74% and cut our Scope 1 + Scope 2 GHG emissions intensity by 26%. We are actively incorporating the Uinta Basin program into our emissions strategy, with the plan to update public targets in 2026 (which reports 2025 data).
- **Top-Tier Stewardship.** SM Energy was recognized by Rystad Energy as one of the top three operators (first among oil-focused operators) who excelled in sustainability performance in 2023. We improved our responsible water practices by increasing produced water recycling to 40%—up 25% on a relative basis from 2023.
- **Innovation.** We made meaningful strides in technical innovation aimed at reducing emissions, including piloting advanced methane detection technologies, leveraging dynamic gas blending and electrified fleets in completion operations, and converting certain devices to solar power.
- **Safety in Action.** We reinforced our safety-first culture through targeted initiatives like the Goal Zero Program—Zero Distractions, Zero Excuses, Zero Shortcuts, and 100% Committed—designed to improve behavior-based safety in operations. In 2024, our employees received nearly 5,000 hours of health and safety training, and all team members are empowered to stop work if unsafe conditions arise.
- **Cultivating Leaders.** We earned two prestigious Brandon Hall Group ™ awards —Gold for innovation in building competencies and skills, and Bronze for excellence in overall leadership development.
- **Future-Focused Governance.** In 2024, we welcomed two new board members, each bringing distinct and valuable expertise—including in Technology and Artificial Intelligence—which enhances the board's collective capabilities and helps us stay at the forefront of the advancing technology landscape.

This year's sustainability disclosures highlight how SM Energy's operational excellence and environmental responsibility work in tandem to drive performance. Ultimately, our long-term vision and strategy is to sustainably grow value for all our stakeholders as a premier operator of top-tier assets by maintaining and optimizing our high-quality asset portfolio, generating strong cash flows, and preserving a robust balance sheet. Our leadership in stewardship—recognized by industry peers and investors—reflects our dedication to responsible operations. By embracing advanced technologies and cultivating talent across all levels, we at SM Energy ensure that we are well positioned for the long-term to deliver responsibly produced energy to further contribute to growing energy demands.

Sincerely,

Herb Vogel

President and Chief Executive Officer

August 2025

SM|ENERGY

Based on 2024 Data

Performance Highlights and Quick Reference Materials

Performance Highlights

Note: Unless stated otherwise, the 2024 performance metrics include full-year Uinta Basin assets acquired on October 1, 2024.

Environmental Stewardship

Achieved Texas **Flaring** and **Methane Intensity** targets; on track for

50% → 2030[2]

reduction in Scope 1 and 2 GHG Emissions Intensity

Methane Intensity of

0.02 → 61%

Improvement[1]

74%

Improvement in Flaring Percentage[1]

CO_2

26%

Improvement in GHG Intensity – Scope 1 + 2[1]

In May 2025, SM Energy received an MSCI ESG Rating of **A**

Recognized by Rystad in Sustainability based on 2023 data[5] as a **Leader Among Peers**

Recycled

40%

of Produced Water

Up

25%

on a relative basis from 2023, significantly reducing % of fresh water used in operations

Strong Safety Culture

Launched **New Safety Initiatives** and **Leadership Training** – strengthening our **Safety-First Culture** and empowering all employees and contractors.

0.00

Employee TRIR for two consecutive years

Employees completed

4,950+

hours of Safety Training, a

34%

increase from 2023

Performance Highlights Continued

People and Community Outreach

Leader in innovative leadership development — SM Energy won the following coveted Brandon Hall Group ™ **Gold and Bronze awards in 2024** for LEAN IN.

Every employee is a leader –

2,450+

hours of leadership training completed by SM Energy employees

Community impact in action –

Employees volunteered

2,680+

hours in our local communities

Support to local communities –

$205MM

Local Taxes[3]

$1.2MM

Charitable Contributions

Low Voluntary Turnover Rate of

Governance

90%

of Board Members are **Independent**[4]

60%

of Board Members are **Ethnically Diverse** or **Female**[4]

Welcomed two new board members, one with expertise in **Technology and Artificial Intelligence.**

(1) Improvement noted is 2024 compared to base-year 2019. The 2024 performance data used to calculate the improvement from 2019 is inclusive of the recently acquired Uinta Basin assets.

(2) The 2024 disclosures and discussions of the Company's public targets—established in 2021 using 2019 as the baseline year for Texas operations only—exclude the Uinta Basin assets.

(3) Includes full-year 2024 local taxes paid for the Company's Texas assets and local taxes paid for the Company's Uinta Basin assets for the post-effective date period May 1, 2024 - December 31, 2024.

(4) Metrics are shown as of December 31, 2024. Effective May 22, 2025, Dr. Stephen R. Brand retired from the Board of Directors of SM Energy Company.

(5) Sourced from Rystad Energy | ESG Rankings for 2023: Which US operators excelled in sustainability| April 8, 2025.

The 2024 Performance Metrics provide information for the calendar year 2024 and previous years. The metrics include full-year Uinta Basin assets acquired on October 1, 2024. Prior year performance data used for the comparison of emissions data was not amended to include data for the acquired Uinta Basin operations.

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

ENVIRONMENTAL	UNITS	2024	2023	2022	2021	2020
Emissions						
Flaring Percentage[1]	Mcf gas flared/ Mcf of gas produced[2]	0.62%	0.46%	0.40%	0.63%	0.81%
Flaring[1]	Mcf gas flared / Boe[2]	0.02	0.01	0.01	0.02	0.02
GHG Intensity - Scope 1[1]	mT CO_2e / MBoe[2]	9.22	6.96	6.71	8.44	8.04
GHG Intensity - Scope 1+2	mT CO_2e / MBoe[2]	10.40	8.52	8.23	9.88	9.67
Methane Intensity[1][3]	mT CH_4 / MBoe[2]	0.02	0.04	0.03	0.03	0.04
Scope 1 Emissions	Thousand mT CO_2e	888.0	484.5	454.5	578.3	477.8
Scope 1+2 Emissions	Thousand mT CO_2e	1,001.7	592.7	557.7	682.9	576.2
Total Electricity Consumed[4]	GWh	2,098	1,965	1,847	2,440	1,659

Flaring Percentage and GHG Intensity Metrics: Increased from 2023 primarily driven by the acquisition of the Uinta Basin assets (full year data reflected in 2024). The Uinta Basin assets are expected to have a higher emission intensity and flaring percentage given the assets are in early stages of development with activity ramping up in recent years (emissions from completions and production, but no substantial base production like other mature assets). Additionally, the production and processing of the Uinta Basin's waxy crude requires specialized equipment that can lead to increased emissions.

Scope 3 Emissions: Certain metrics reported in TCFD disclosure. Please refer to TCFD Core Element - Metrics and Targets for the categories reported. The TCFD disclosure is posted to SM Energy's website at: www.sm-energy.com/sustainability.

Spills						
Total Produced Fluid Spill Rate[1]	Produced fluid spilled / 1,000 Bbls produced fluid	0.014	0.006	0.011	0.009	0.014
Number of Hydrocarbon Spills[5][6]	#	17	14	22	23	20
Aggregate Volume of Hydrocarbon Spills[5] / Volume Recovered[5]	Bbls / Bbls	160 / 42	169 / 126	83 / 24	136 / 90	253 / 192
Water						
Freshwater Used[5]	MMBbl	58.8	43.1	52.8	59.0	39.4
Freshwater Intensity[1]	Bbls of freshwater used/ Boe produced	0.61	0.62	0.72	0.81	0.65
Recycled Produced Water Percentage[5]	% Total Company recycled Bbl / total Company produced Bbl	40%	32%	23%	19%	14%
Water Recycling Rate[1]	% Recycled Bbl / total Company Bbl used	50%	38%	20%	11%	23%

Total Company recycling rates improved in 2024 driven by the acquisition of the Uinta Basin assets. This operating area has a robust recycling program, with over 60% of the produced water in 2024 reused for drilling and completions operations. 75% of the total water used for drilling and completions operations was sourced from recycled produced water.

SOCIAL PERFORMANCE METRICS	UNITS	2024	2023	2022	2021	2020
Safety[1] | Safety is SM Energy's Top Priority						
TRIR - Employee	Incidents / injuries per 200,000 man-hours	0.00	0.00	0.36	0.19	0.00
TRIR - Contractor	Incidents / injuries per 200,000 man-hours	0.80	0.26	0.31	0.56	0.35
TRIR - Employee and Contractor	Incidents / injuries per 200,000 man-hours	0.67	0.20	0.32	0.48	0.26
LTIR - Employee	Incidents / injuries per 200,000 man-hours	0.00	0.00	0.18	0.00	0.00
LTIR - Contractor	Incidents / injuries per 200,000 man-hours	0.12	0.00	0.10	0.10	0.06
LTIR - Employee and Contractor	Incidents / injuries per 200,000 man-hours	0.10	0.00	0.12	0.08	0.04
DART - Employee	Incidents / injuries per 200,000 man-hours	0.00	0.00	0.18	0.00	0.00
DART - Contractor	Incidents / injuries per 200,000 man-hours	0.22	0.05	0.10	0.26	0.17
DART - Employee and Contractor	Incidents / injuries per 200,000 man-hours	0.18	0.04	0.12	0.20	0.13
Preventable Motor Vehicle Incident Rate	Incidents per 1MM miles	1.84	0.74	1.32	1.84	1.52
Total Fatalities - Employee and Contractor	#	1	0	0	0	0
Employee Fatalities	#	0	0	0	0	0
Contractor Fatalities	#	1	0	0	0	0
Total Employee Health and Safety Training Hours	Hours	4,961	3,713	3,581	1,570	2,040
Average Health and Safety Training Hours per Employee	Hours	9.5	6.8	6.7	3.1	4.0
Human Capital[7]						
Number of Employees[8]	#	573	541	536	504	504
Part-time	#	4	0	0	1	1
Full-time	#	569	541	536	503	503
Employee Gender Diversity	% Female	34%	34%	33%	33%	33%
Officer Gender Diversity	% Female	29%	31%	32%	25%	29%
Employee Ethnic Diversity	% Ethnically Diverse	26%	25%	26%	25%	25%
Voluntary Turnover	%	6.3%	8.0%	7.5%	7.7%	6.1%
Involuntary Turnover	%	2.0%	3.0%	1.2%	1.6%	8.7%
Employees represented by collective bargaining agreements	%	0.0%	0.0%	0.0%	0.0%	0.0%

SM Energy is committed to fostering a culture of continuous learning and leadership development across all levels of the organization, as reflected in the following 2024 training highlights:

- **Leadership Learning Journey ("LLJ"):** 58 employees participated in 2024, totaling ~2,200 training hours; ~83% of employees have participated since 2018.
- **Advancement Program ("LEAN IN"):** 17 employees completed ~140 hours of training.
- **Presentation Course Training:** 27 employees completed ~430 hours of training.
- **Annual Geosciences & Technical Conference:** 183 employees attended two days of learning, collaboration, and innovation.
- **Internship & Compass Programs:** 23 students and early-career professionals received ~3,680 hours of development, including digital learning.
- **DiSC Training:** 557 employees (97% of the Company) participated in department-level workshops totaling 120 hours designed to improve communication and collaboration.

SOCIAL PERFORMANCE METRICS (CONTINUED)	UNITS	2024	2023	2022	2021	2020
Community						
Charitable Contributions	$MM	1.2	1.2	1.1	1.2	1.1
Community Service Hours	#	2,682	2,343	2,241	1,450	1,300
Local Taxes Paid Midland	$MM	126.2	129.6	169.6	137.6	72.7
Local Taxes Paid South Texas	$MM	58.8	58.6	71.1	30.0	13.2
Local Taxes Paid Uinta [9]	$MM	15.3	N/A	N/A	N/A	N/A
Local Taxes Paid Denver	$MM	4.4	1.7	1.1	1.2	1.1

GOVERNANCE PERFORMANCE METRICS	UNITS	2024	2023	2022	2021	2020
Board of Directors[10]						
Board Members	#	10	8	8	8	10
Independent Board Members	%	90%	88%	88%	88%	80%
Board of Directors - Female	%	30%	38%	38%	38%	20%
Board of Directors Diversity (Ethnically Diverse or Female)	%	60%	63%	63%	63%	40%
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						
Governance and Sustainability Committee Charter						
Executive Committee Charter						
Compensation						
CEO Target Compensation - Variable At-Risk	%	88%	88%	87%	87%	87%

In 2024, the Compensation Committee of the Board of Directors continued unanimous approval of the inclusion of sustainability metrics.

2024 performance-based long-term incentive compensation awards were tied, in part, to sustainability 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%).

2024 short-term compensation for all employees, including executive management, was tied, in part, to sustainability metrics with goals to reduce the Company's total recordable incident rate, spill volumes, GHG emissions intensity and methane emissions intensity.

COMPENSATION | WHAT WE DO:

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

Proper Incentives: SM Energy's short-term incentive plan ("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 percent of the Company's CEO's 2024 target long-term incentive plan ("LTIP") value delivered in performance-based awards.

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

Target the Median: The Company generally targets pay opportunities for its 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: The Company maintains a clawback policy applicable to its 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 SEC rules and NYSE listing standards.

Equity Ownership Requirements: The Company requires executive officers and directors to maintain meaningful ownership of its stock to ensure their interests are appropriately aligned with the long-term financial interests of the Company's stockholders.

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

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

COMPENSATION | WHAT WE DO NOT DO:

No Excise Tax Gross-ups: The Company does not provide golden parachute excise tax payments or gross-ups.

Limited Severance: The Company typically does 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: The Company does not provide "single-trigger" cash severance or equity vesting acceleration upon a change of control.

No Dividends on Unvested Equity: The Company does not pay dividends on unvested restricted stock units or performance share units.

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

Prohibited Transactions: The Company does not permit officers, employees, or directors to enter into transactions that hedge the value of its securities owned by them, hold its securities in margin accounts, pledge its securities to secure indebtedness, or buy or sell options or derivatives with respect to its 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 the Company's short-term metrics.

No Employment Contracts: The employment of the Company's 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) In accordance with the Inflation Reduction Act, the EPA finalized the EPA Waste Emission Charge ("WEC") in November 2024 defining the calculation for methane fees and filing submission process. However, the EPA published a final rule in May 2025 to remove the WEC regulation from the Code of Federal Regulations.

(4) This figure includes 39 GWh of purchased electricity for the Uinta Basin assets. Fuel and electricity consumption data for the Uinta Basin assets was not collected and are excluded from the total disclosed. However, usage is expected to be minimal, as electricity in the Uinta Basin primarily comes from generators as ESPs are not required for this basin, resulting in an overall low electricity usage for this area as a percentage of total Company usage.

(5) Sustainability Accounting Standards Board ("SASB") approved metric.

(6) SASB defines a spill as greater than 1 barrel.

(7) SM Energy seeks to provide equal employment opportunities to all employees and job applicants. The Company regularly analyzes workforce demographics and periodically engages a third-party to conduct discrimination and pay equity testing. No discrimination or pay inequity has been found.

(8) In January 2025, the Company hired 90 employees, including 83 employees from the Uinta Basin predecessor employer.

(9) Represents the Uinta Basin local taxes paid through the final settlement statement for the post-effective date period May 1, 2024 - December 31, 2024. Sales taxes were esti

(10) Governance metrics are shown as of December 31, 2024. Effective May 22, 2025, Dr. Stephen R. Brand retired from the Board of Directors of SM Energy Company.

CONTACT INFORMATION

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SM|ENERGY

Based on 2024 Data

2025 Task Force on Climate-Related Financial Disclosures

Legal Notes

Definitions and calculations of certain sustainability-based disclosures vary among companies, reporting frameworks, investment professionals and other users of the disclosed data. As a result, such disclosures and calculations may not be directly comparable to similarly titled definitions and calculations of other companies. SM Energy's 2025 Task Force on Climate-Related Financial Disclosures ("TCFD") contains "forward-looking statements" within the meaning of securities laws. Please refer to "Disclaimers" for further information about forward-looking statements. The disclosure of sustainability-related information contained herein is not meant to correspond with the concept of materiality associated with disclosures required by the U.S. Securities and Exchange Commission ("SEC").

Disclaimers

SM Energy's responses herein contain "forward-looking statements" within the meaning of securities laws. Responses include discussion of potential future risks and opportunities, the Company's planned processes for evaluating potential future risks and opportunities, and certain plans, objectives, expectations, and forecasts. All statements, other than statements of historical fact, included in the TCFD framework are subject to assumptions, risks and uncertainties that are beyond our control, and they are not promises or guarantees of future conduct, policy, or operational activities. These statements involve known and unknown risks, which may cause SM Energy's actual results, activities, operations, plans, processes, objectives, expectations, and forecasts to differ materially from results, activities, operations, plans, processes, objectives, expectations, and forecasts expressed or implied by the forward-looking statements. Additionally, responses to the TCFD framework include discussion of forward-looking risks and opportunities that employ third-party or other hypothetical scenarios that may not reflect or incorporate the Company's expectations and forecasts for the future. Such scenarios provide standardized bases through which certain potential quantifiable and non-quantifiable implications to the Company's plans can be evaluated but may not reflect the Company's future projections. For example, the Company has evaluated hypothetical carbon pricing scenarios, the International Energy Agency ("IEA") Announced Pledges Scenario ("APS"), Stated Policies Scenario ("STEPS"), and potentially other hypothetical scenarios, that may not reflect the Company's expectations and forecasts, and incorporated qualitative discussion of the results of such evaluations into the forward-looking statements contained in this report. Future results, plans, objectives, expectations, and forecasts may be impacted by the risks discussed in the Risk Factors section of SM Energy's most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q or other filings with the SEC. The forward-looking statements contained herein speak as of the date of this report. Although SM Energy may from time to time voluntarily update its prior forward-looking statements, it disclaims any commitment to do so, except as required by securities laws.

Report Overview

SM Energy Company ("SM Energy" or the "Company") advances sustainability by integrating environmental and social programs, upholding governance best practices, and ensuring transparent reporting. The Company discloses its progress through two established frameworks: the TCFD and the Sustainability Accounting Standards Board metrics for oil and gas exploration and production companies ("SASB"). SM Energy routinely monitors the disclosure landscape, federal and state environmental regulations, and stakeholder policies and expectations to determine best reporting practices.

The Company created this report to provide detailed disclosures within the TCFD's recommended reporting format across the four core elements as summarized below. This report discloses SM Energy's performance data from January 1, 2024 through December 31, 2024 with some references to past, current or future activities. Disclosures are based on facts and circumstances in place as of the 2024 reporting period. For the reporting period of January 1, 2024 to December 31, 2024, the Company engaged a third party, ERM Certification & Verification Services Incorporated ("ERM CVS"), to provide limited assurance for selected emissions metrics and a review of selected water metrics for the purpose of working towards limited assurance. Please refer to page 43 for further detail and the ERM CVS Limited Assurance Report.

Report Contents

Contained in each of the following sections is a description of core TCFD elements and the Company's detailed disclosures. This information, as well as the Company's Letter from our CEO to Stakeholders, Corporate Sustainability Report, SASB disclosures, Performance Highlights and Quick Reference Metrics, key policies and other pertinent information are available on the Company's website at: www.sm-energy.com/sustainability.

General Company Overview

About SM Energy

SM Energy is an independent energy company engaged in the acquisition, exploration, development, and production of oil, natural gas ("gas"), and natural gas liquids ("NGL") in Texas and Utah. Founded in 1908, SM Energy is a Delaware corporation and has been publicly traded on the New York Stock Exchange ("NYSE") since 2002 under the ticker symbol SM.

SM Energy's purpose is to make people's lives better by responsibly producing energy supplies, contributing to domestic energy security and prosperity, and having a positive impact in the communities where the Company's employees live and work. The Company's long-term vision and strategy is to sustainably grow value for all of its stakeholders as a premier operator of top-tier assets by maintaining and optimizing its high-quality asset portfolio, generating cash flows, and maintaining a strong balance sheet. This strategy is executed by a team that prioritizes safety, technological innovation, and stewardship of natural resources—principles that are deeply embedded in the Company's culture. SM Energy continues to be recognized by the industry and investor community as a sustainability leader, most recently acknowledged by Rystad as a top-performing operator based on 2023 results.

As of year-end 2024, SM Energy's operations were located onshore in the United States in three main operating areas: the Midland Basin in West Texas, the Maverick Basin in South Texas, and the Uinta Basin in northeastern Utah. The Company's total estimated net proved reserves were approximately 678 million barrels of oil equivalent ("MMBoe") as of December 31, 2024. In 2024, the Company reported full-year net sales volumes of 170.5 thousand barrels of oil equivalent per day ("MBoe/d"), consisting of 47% oil, 37% natural gas, and 16% natural gas liquids.

Uinta Basin Acquisition

In October 2024, SM Energy acquired approximately 63,300 net acres located in the core of the Uinta Basin in northeastern Utah, adding scale and a third core area to the Company's top-tier portfolio. The Uinta Basin acquisition added estimated net proved reserves of 99.9 MMBoe and net production volumes of 36.1 MBoe/day for the three months ended December 31, 2024, significantly expanding the Company's size. The Company assumed operatorship of these assets on January 1, 2025, following the expiration of a transition services agreement with the previous operator.

In 2025, SM Energy is focused on integrating its high operational standards and innovation into the newly acquired Utah program. The Company is building familiarity with the Uinta Basin operations and regulatory environment, while identifying near- and long-term opportunities to reduce emissions and enhance sustainability and performance.

Uinta Basin Acquisition Reporting Impacts

2024 performance metrics disclosed in this report are inclusive of full 2024 calendar year data for acquired operations aligning with the Environmental Protection Agency ("EPA") Subpart W[1] reporting that requires full year reporting of Scope 1 GHG emissions by the operator of record as of year-end, regardless of timing of ownership transfer. SM Energy applied this approach to all performance metrics to establish a baseline for comparability. The Uinta Basin acquisition closed on October 1, 2024 but the Company did not have operational control over the Uinta Basin assets in 2024. SM Energy believes there are opportunities to drive improvement in sustainability performance as the Company successfully integrates its Uinta Basin operations with its sustainability expectations. Prior year performance data used for comparison of emissions data will not be amended to include data for the acquired Uinta Basin operations.

The 2024 disclosures and discussions of the Company's public emissions targets—established in 2021 using 2019 as the baseline year for Texas operations only—exclude the recently acquired Uinta Basin assets. Effective with the 2025 performance period, SM Energy will revise its public emissions targets to reflect both the final Subpart W[1] rule effective in 2025 and the inclusion of the Uinta Basin assets.

[1] Subpart W of the EPA's Greenhouse Gas Reporting Program ("GHGRP") requires oil and natural gas operators to annually report greenhouse gas emissions from the Company's operations.

Qualitative disclosures include discussion of sustainability initiatives for all three of SM Energy's operating areas. Disclosures related to Uinta Basin assets will continue to evolve and expand over time as SM Energy continues implementing its sustainability strategy and initiatives.

Company Policies

All employees are responsible for upholding Company-wide standards and values, which are governed through a structured and accountable framework to ensure consistent application across the organization. SM Energy has long-standing policies designed to promote ethical conduct and integrity that employees are required to read and acknowledge on an annual basis, including the Company's Code of Business Conduct and Conflict of Interest Policy (Code of Business Conduct and Conflict of Interest Policy). In 2021, the Company adopted a Human Rights Policy that, among other matters, memorialized its commitment to operating in a manner that is respectful of human rights and to avoid causing or contributing to adverse human rights impacts (Human Rights Policy).

Additional policies that all employees are required to review and acknowledge annually include the Company's Employee Handbook; Drug and Alcohol-Free Workplace Policy; Related Persons Transaction Policy; Securities Trading Policy; Fair Disclosure Policy; Social Media Policy; IT Acceptable Use Policy; and Expense Management and Reporting Policy. Further, employees are consistently provided training opportunities to develop skills in leadership, safety, and technical acumen, which help to strengthen the Company's efforts to conduct business with high ethical standards. For more information about SM Energy, please visit www.sm-energy.com.

TCFD Core Element – Governance

SM Energy's Board of Directors ("Board") believes that sound corporate governance principles foster the ethical behavior and integrity owed to all of the Company's stakeholders.

Board Oversight

The Board oversees SM Energy's long-term business strategy and risk management practices. SM Energy's Board-led Governance and Sustainability Committee ("G&S Committee"), the Chair of the Board, the Chair of the G&S Committee and the Company's President and Chief Executive Officer ("CEO") are all charged with oversight of SM Energy's sustainability strategy. The G&S Committee oversees, among other things, the effectiveness of the Company's sustainability policies, programs and initiatives, monitors and responds to emerging trends, issues, and associated risks, and, together with management, reports to the Board regarding such matters.

The Board and G&S Committee regularly receive reports from management on topical sustainability and climate-related issues, which included five reports in 2024. There were two additional sustainability orientation reports distributed to two new Board members appointed in February 2024 and November 2024, respectively. The five reports provided by Management to the Board included a review of dashboards that monitor key sustainability performance, such as GHG emissions, methane emissions, flaring, safety, spills and water stewardship, as well as Company performance toward short-to-medium term environmental targets, compliance with U.S. Environmental Protection Agency's New Source Performance Standards ("NSPS") Subpart OOOO monitoring regulation, the status and plans for the Company's operational initiatives, updates on public sustainability disclosures, updates on the current sustainability reporting and regulatory landscape, results of the Company's climate-related risk assessment and scenario analysis for transition risks, and benchmarking to industry peers. In 2024, the reports also included various briefings related to the acquired Uinta Basin assets with specific updates about the Utah environmental regulatory environment, historical environmental metrics, and pro forma environmental metrics.

During 2021, the G&S Committee adopted the following short- to medium-term Scope 1 and Scope 2 emissions reduction targets for its Texas operations:

1. zero routine flaring at all SM Energy operations and non-routine flaring not to exceed 1% of natural gas production, each by 2023 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.

Beginning with the 2020 reporting year, the Company obtained third-party verification of Scope 1 greenhouse gas emissions. For the 2021 reporting year, the Company added third party verification of Scope 2 greenhouse gas emissions.

Please refer to the Corporate Sustainability Report and annual Proxy Statement for expanded discussion of Governance and Ethics.

GOVERNANCE MECHANISMS INTO WHICH CLIMATE-RELATED EFFORTS ARE INTEGRATED	
Reviewing and guiding annual budgets	Overseeing and guiding employee incentives
Overseeing major capital expenditures	Overseeing and guiding scenario analysis
Reviewing innovation/R&D priorities	Overseeing the setting of corporate targets
Reviewing and guiding strategy	Monitoring progress towards corporate targets
Overseeing acquisitions, mergers, and divestitures	Overseeing value chain engagement
Overseeing and guiding the development of a transition plan	Overseeing and guiding public policy engagement
Monitoring the Company's emissions reduction strategy	Reviewing and guiding the risk management process

Board Qualifications

SM Energy believes that its independent and experienced directors bring leadership and specific experiences and skill sets to the Company's Board and their respective committees, which provide substantial benefit to the Company and its stockholders. It is SM Energy's objective that its Board collectively possess broad and relevant experience in high-level business policymaking matters, including the ability to assess various risks and opportunities. To determine a director's competence with respect to climate-related issues, the Board considers a variety of factors, including: (a) past experiences in evaluating longer-term risks and how those general experiences can inform evaluating climate-related risks; (b) awareness and familiarity with regulatory frameworks and industry standards related to climate and emissions issues; and (c) training and industry updates concerning climate issues provided to such director or the Board in general. Based on these criteria, SM Energy believes there is at least one member of the Board with competence on sustainability and climate-related topics. Please refer to SM Energy's annual Proxy Statement for additional detail regarding the specific qualifications, attributes, and skills of each director.

Governance and Sustainability Committee Responsibilities

SM Energy's G&S Committee meets on a regular basis (five times in 2024). G&S Committee oversight of sustainability-related issues is intended to promote leading sustainability and stewardship performance.

Throughout the course of the year, the G&S Committee's responsibilities and topics of discussion typically include:

- **Sustainability Leadership:** Oversee and guide the development, implementation, and performance monitoring of sustainability strategy, policies, programs, and disclosures.
- **Regulatory and Risk Monitoring:** Ensure compliance with environmental, safety, and operational regulations, and evaluate climate-related risks and opportunities.
- **Stakeholder Engagement:** Monitor and respond to stockholder proposals and emerging governance and sustainability issues, recommending Board actions as needed.
- **Transparency & Benchmarking:** Oversee disclosure practices, peer benchmarking, and performance tracking against sustainability targets and evolving industry standards.

In addition to oversight over the Company's sustainability efforts, the G&S Committee provides oversight over the broader governance framework. Its core functions include Board and director nominees, evaluating and planning for management succession, reviewing the structure and composition of all committees of the Board, and overseeing governance practices such as the Board and committee self-evaluation process.

Please refer to the Company's annual proxy statement and G&S Committee Charter for full description of committee functions and further detail regarding the director nominee selection process.

Top-tier performance in governance and environmental stewardship is a key component of being a premier operator. Peer benchmarking by the G&S Committee includes review of the ranking of SM Energy among its peers by third parties.

Management's Role

While SM Energy's Board oversees SM Energy's risk management processes, with particular focus on the most significant risks the Company faces, management is responsible for day-to-day risk management. To provide support for the Company's ongoing efforts in sustainability matters, the Company established a Governance and Sustainability Management Committee ("G&S Management Committee") in 2020 focused on environmental, social and governance matters. The G&S Management Committee reports directly to the Board and is composed of certain members of management, including the President and CEO, Executive Vice President ("EVP") and Chief Financial Officer ("CFO"), EVP and Chief Operating Officer ("COO"), EVP Corporate Development and General Counsel, Senior Vice President ("SVP") Finance, Vice President ("VP") Controller and corporate officers who lead Human Resources, Environmental, Health, and Safety, Operations, and Technology/Data departments.

This multi-disciplinary committee meets regularly and works closely to identify, monitor, and evaluate environmental-related policy, regulatory, and legislative developments. The G&S Management Committee reports on current sustainability risks and opportunities; makes recommendations to the Governance and Sustainability Committee and Board regarding policies, programs, initiatives, and expenditures necessary to achieve the Company's sustainability targets and goals; and monitors the Company's performance toward achieving sustainability goals and targets. The G&S Management Committee reports to the G&S Committee regularly with routine updates regarding environmental performance, status of major initiatives, and to discuss strategy related to climate-related risks and opportunities.

In addition, SM Energy has a team dedicated to compliance with federal as well as Texas and Utah state environmental laws and regulations. This team reports to the EVP Corporate Development and General Counsel.

The following describes management's role in assessing and managing climate-related risks and opportunities:

CLIMATE-RELATED RESPONSIBILITIES	CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	CHIEF OPERATING OFFICER	GENERAL COUNSEL	G&S MANAGEMENT COMMITTEE
Reporting Line	**BOD**	**CEO**	**CEO**	**CEO**	**BOD**
Managing annual budgets for sustainability-related efforts	●	●	●		●
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)	●	●	●		●
Recommending climate-related employee incentives	●	●	●	●	●
Developing emissions reduction strategy	●	●	●	●	●
Implementing a emissions reduction plan	●	●	●	●	●
Integrating climate-related issues into the strategy	●	●	●		●
Conducting climate-related scenario analysis		●	●		●
Recommending climate-related corporate targets	●	●	●	●	●
Monitoring progress against climate-related corporate targets	●	●	●	●	●
Managing public policy engagement for climate-related matters	●		●	●	
Managing value chain engagement on climate-related issues	●		●		●
Assessing climate-related risks and opportunities	●	●	●	●	●
Managing climate-related risks and opportunities	●	●	●	●	●
Oversight of sustainability disclosure practices	●	●	●	●	●

Executive and Employee Compensation Tied to Sustainability Metrics

During 2024, SM Energy continued to include sustainability metrics in both its short-term and long-term incentive compensation plans to align executive pay outcomes with the interests of the Company's stakeholders. The Compensation Committee regularly evaluates and, as appropriate, modifies the Company's LTIP program to align executive pay with Company performance and its stakeholders' experience throughout industry cycles. Sustainability-related performance metrics are designed to prioritize sustainable and responsible deployment of capital for the long-term benefit of all stakeholders and maintain standards consistent with evolving best practices and top-quartile sustainability performance among its peers.

Short-term Incentive Plan: In 2022, SM Energy modified the sustainability component of its short-term incentive plan ("STIP") from a qualitative to a quantitative performance metric with a 15% weighting. In 2024, the Company maintained the quantitative nature and the 15% weighting of this metric, with goals to reduce the Company's employee and contractor total recordable incident rate ("TRIR"), ratio of spill volumes to total produced volumes during the year ("spill ratio"), GHG emissions intensity and methane emissions intensity. The TRIR and spill ratio targets were based on the lesser of SM Energy's trailing 3-year average results or AXPC top quartile results and the GHG and methane emissions intensity targets were based on the Company's progress towards meeting its publicly-announced goals.

In addition to the quantitative performance targets, the Company's sustainability goal included meeting routine and non-routine flaring goals, recycling water in operations, preparing for compliance with SEC climate rules, and evaluating and incorporating modern technology in sustainability goals. The Compensation Committee determined not to incorporate Uinta Basin performance into the 2024 STIP calculation because the transaction closed in the fourth quarter of the year and the seller continued to operate the acquired assets under a transition services arrangement through the end of the year.

Long-term Incentive Plan: SM Energy's long-term incentive plan ("LTIP") program typically utilizes PSUs (50% weighting) and RSUs (50% weighting) to compensate the Company's named executive officers and other key employees for execution of its strategy (except for the Company's CEO, who received 60% weighting to PSUs and 40% weighting to RSUs). Performance is measured over the three-year program period. For the 2024-2027 performance period, the performance metrics and weighting comprising the PSU awards were tied, in part, to sustainability performance (25%), which is further broken down by GHG emissions intensity reduction (10%), employee and contractor safety (10%), and spill performance (5%).

The GHG emissions intensity target is based on the Company's projected greenhouse gas emission intensity reduction goals, and the targets for safety and spill performance are based upon the top quartile of the trailing three-year average of reporting AXPC members.

Please reference SM Energy's annual Proxy Statement for additional detail regarding the Company's 2024 STIP and LTIP design and results.

TCFD Core Element – Strategy

Climate-Related Business Risks and Opportunities

SM Energy's long-term vision is to sustainably grow value for all stakeholders as a premier operator of top-tier assets. The Company has a long-standing history of resilience in the face of market volatility and industry challenges by being a top-tier operator with a diversified portfolio of low-breakeven assets focused on the following strategy:

- Being a leader in stewardship, committed to exceptional safety, health, and environmental practices, making a positive difference in the communities where its employees live and work, and ensuring transparency in reporting progress in these areas.
- Optimizing asset development and operations to generate higher returns.
- Creating a world-class technical team.
- Investing in advanced technology and fostering innovation.
- Maintaining a disciplined approach to a strong balance sheet.
- Effective risk management, which entails a proactive approach of reducing GHG and flaring emissions, electrifying operations, and improving monitoring and reporting.

The Company's strategic planning process prioritizes sustainable profitability and includes consideration of short-, medium- and long-term climate-related risks and opportunities, including macro-economic trends, market perceptions, regulatory landscape and physical risks. As part of this process, the Company performs scenario analysis and risk modeling exercises to assess the potential impact of certain climate-related transition risks on the Company's portfolio. These results are reviewed with the Board to create a strategy to mitigate or maximize climate-related risks and opportunities. See section titled "Climate-Related Risks" below for detailed discussion.

The climate-related risk and opportunities discussions herein are based on facts and circumstances in place as of the 2024 reporting year. SM Energy continues to monitor the global landscape and changes in the U.S. regulatory environment, and intends to amend its disclosures as circumstances change.

Strategy Time Horizons and Climate-related Risk Assessment Criteria

SM Energy considers the following time horizons regarding climate-related transition and physical risks and opportunities:

- **Short-term (1-2 years):** The Company's corporate business plan outlines a detailed operating plan aligned with its long-term strategy. During this period, potential climate-related risks and opportunities — such as flaring restrictions and air emissions reduction projects — are assessed for both immediate and future impact.
- **Medium term (3-5 years):** The Company's long-range plan ("LRP") aligns with the SEC's timeline for developing proved undeveloped reserves and supports long-term objectives. Key risks evaluated include potential regulations on carbon pricing and greenhouse gas emissions.
- **Long-term (6+ years):** Sustainability planning considers field life, reserve replacement, and enterprise value. Scenario analyses over 10 years incorporate risks and opportunities related to government policy shifts, changes in supply and demand, technology, and alternative energy sources.

In accordance with the Enterprise Risk Management ("ERM") process, climate-related risks are evaluated and prioritized using both quantitative and qualitative metrics including risk impact, likelihood, and timeliness. Please refer to the section titled "TCFD Core Element - Risk Management" which discusses in greater depth the process for identifying, assessing and addressing potential risks.

MAGNITUDE	SYMBOL
Minimal	●
Minor	●●
Moderate	●●●
High	●●●●
Major	●●●●●
Not Measurable	NM

RISK LIKELIHOOD
Almost Certain
Probable
Possible
Unlikely
Rare

RISK TIMELINESS	TIME HORIZON
Short-term	1-2 years
Medium-term	3-5 years
Long-term	6+ years

Climate-Related Risks

The following table sets forth the primary risk types considered in the Company's climate-related risk assessment. These risks are categorized as transition risks (risks that arise from the transition to a low-carbon economy) and physical risks (risks associated with physical impacts of climate change).

RISK	DESCRIPTION	IMPACTS	MITIGATION
		Transition Risks	
Current and Emerging Regulation and Legal	• Current and emerging climate-related federal, state, tribal, and local laws and governmental regulations (EPA NSPS Subpart OOOO regulation, implementation of a carbon pricing mechanism, mandates on existing products and services) • Exposure to litigation related to climate-related laws or regulations, the Company's disclosures concerning climate-related matters, and claims relating to climate change	• Increased capital and operating costs related to compliance and litigation • Decreased revenues due to reduced production capacity	• Sound corporate governance and board oversight over sustainability strategy and practices • Strong financial performance, a portfolio of low break even assets, and a history of adaptability and responsiveness • Environmental, health and safety ("EHS") performance targets and policies • Dedicated environmental and regulatory teams for each asset • Active involvement in trade organizations, participation in legislative sessions, and collaboration with peers to remain informed of emerging regulation and legislation • Emissions detection and monitoring systems and processes, including identification and testing of new technologies • Flare mitigation strategy and methane reduction efforts • Environmental assessment and remediation processes for acquired assets • EHS third party compliance audits
Technology	• New technologies and emergence of lower emissions energy alternatives • Cost of implementing lower carbon technologies	• Increased indirect (operating) costs • Decreased revenues due to reduced demand for products and services	• Leadership that values and prioritizes investment in technology • Evaluation of new technologies aligned with detecting, reducing and preventing emissions • Real-time EHS performance dashboards • Vapor recovery technology, pneumatic controller upgrades, and LDAR application • Operations Surveillance Room • Collection of LiDAR and implementation of spill prevention systems

RISK	DESCRIPTION	IMPACTS	MITIGATION
Market	• Volatility of market prices and resulting realized prices in the future due to factors, including, but not limited to, availability of alternative energy sources, technological advances (e.g., electric vehicles), and shifting consumer preferences	• Decreased revenues due to reduced demand for products and services • Market volatility and volatility in commodity prices	• Strong financial performance, balance sheet, and history of adaptability and responsiveness to market conditions • Diversified portfolio of low break even assets and ability to shift capital investment between areas of operations or between targeted formations with different primary products (oil or gas) • Monitor global market activities for volatility in oil and gas sector • Hedging strategy directed by the Financial Risk Management Committee • Midstream contracts negotiated by marketing • Scenario analysis to understand impact of risk to the Company
Reputation	• Changing sentiment towards the oil and gas sector, shifting consumer preferences, and reduction of investment in the oil and gas sector	• Decreased revenues due to reduced demand for products and services • Decreased corporate valuation that could hinder the company's ability to attract capital and pursue growth opportunities	• Leadership that supports the responsible production of oil and gas and having a positive community impact • Strong corporate governance and board oversight over sustainability strategy and practices • Voluntary sustainability reporting through TCFD and SASB frameworks • Annual stakeholder engagement • Top-tier environmental stewardship practices • Well-established responses and proactive protocols in place to mitigate risks related to seismicity

RISK	DESCRIPTION	IMPACTS	MITIGATION
		Physical Risks	
Acute and Chronic Physical Risk	• Impact of extreme weather conditions or changes in weather patterns	• Decrease in production and revenues due to temporary shut-ins, capacity constraints and cessation of drilling and completion activities • Increase in operating and capital costs due to damage to facilities or increased costs for insurance coverage • Increase in health and safety risks for field personnel due to exposure to extreme temperatures, hazardous travel conditions, or limited access to emergency services during severe weather events	• Operations Emergency Management Plan which supports field-level response and guides business continuity efforts • Infrastructure and operating equipment upgrades and maintenance • Infrastructure and operating equipment is designed to be resilient in extreme conditions
Water Stress	• Inability to acquire adequate supplies of water for the Company's drilling and/or completions operations • Unable to dispose of or recycle produced water at a reasonable cost and in accordance with applicable environmental rules	• Decrease in production and revenues if unable to acquire water for development • Decrease in production and revenues due to well shut-ins if unable to dispose of produced water and/or increased disposal cost	• Responsible water management and investment in water infrastructure • Prioritization of recycled water usage where practical and internal water recycling target • Use of SM operated recycling infrastructure and disposal wells • Arrangements with offset operators and midstream providers to promote increased recycling in basin • Proactive drilling and completions planning to responsibly source water

Scenario Analysis:

Transition Scenarios

SM Energy uses qualitative and quantitative scenario analyses in its strategic planning processes to evaluate the impact of climate-related risks on the Company's portfolio. In 2024, the Company conducted scenario analyses referencing two climate transition scenarios developed by the IEA, which provide medium- to long-term oil and gas demand and commodity price projections that align with certain energy transition objectives.

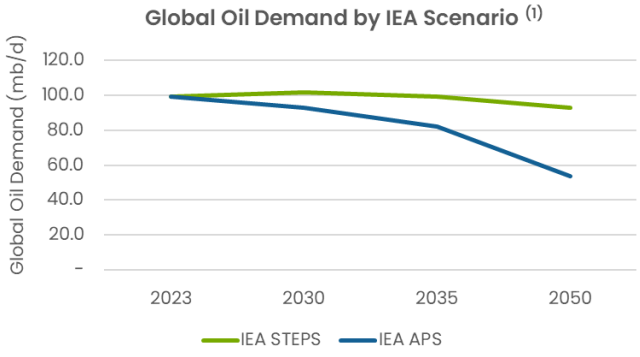
The scenarios referenced by the Company in 2024 included the following:

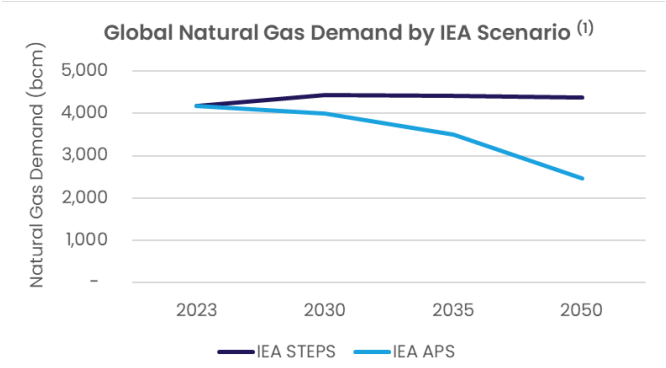
IEA Announced Pledges Scenario ("APS"):

- Assumes all climate commitments made by governments and industries are met on time and in full.
- Projects a 1.7 degrees Celsius global average temperature rise by 2100.
- Forecasts oil demand to peak before 2030, with a 42% decline by 2050 from 2030.
- Forecasts natural gas demand to peak by 2030, with a 38% decline by 2050 from 2030.

- **IEA Stated Policies Scenario ("STEPS"):**
  - Reflects current policies and initiatives in place without assuming the announced goals will be achieved.
  - Projects a 2.4 degrees Celsius global average temperature rise by 2100.
  - Forecasts oil demand to peak by 2030, with a 9% decline by 2050 from 2030.
  - Forecasts natural gas demand to peak by 2035, with a 1% decline by 2050 from 2035.
  - Represents a more conservative trajectory with lower impact on demand compared to APS.

In both scenarios, oil and gas continue to play a key part in meeting global energy needs over the long term.





(1) Sourced from the International Energy Agency (2024), World Energy Outlook 2024, IEA, Paris.

These IEA scenarios were utilized in the "Carbon pricing mechanisms" and "Exposure to price volatility driven by global supply-demand dynamics" risk modeling exercises discussed in detail below.

Bespoke Physical Scenario

As part of its ERM process, the Company annually evaluates physical and business risks including extreme weather, black swan, and catastrophic events. Top risks are assigned owners for mitigation and monitoring, as described in the section titled "TCFD Core Element - Risk Management". In 2024, the ERM Committee and Board reviewed the business interruption potential from extreme weather and the Company's mitigation strategy. Assumptions are based on past physical risk hazards — like hurricanes and temperature extremes — that directly impacted operations, helping strengthen the Company's response capabilities.

The following describes a physical risk factor that was included in the Company's 2024 risk assessment process.

Physical risk (extreme weather): Operations can be disrupted by seasonal or extreme weather, leading to delays and significantly higher costs due to constraints and resource shortages. More specifically, the Uinta Basin can experience snow and adverse winter conditions, which can result in truck or train delays or Utah Department of Transportation (UDOT) road closures.

Response to Risk: To sustain operations through extreme temperatures, the Company has taken the following measures to protect its workers, equipment, and infrastructure:

- Critical equipment is housed in buildings and/or protected with insulation and heat tape to prevent freezing.
- Heating systems and/or ventilation systems are installed to maintain operational temperatures.
- Drilling rigs are equipped with enclosed floors and boiler systems to protect workers and equipment from cold temperatures.
- Shade structures and air conditioning systems are provided to cool operational equipment and for field personnel use.
- Remote monitoring systems are used to track temperatures and prevent equipment from overheating.
- Partnerships with other operators provide dedicated crews to install and remove tire chains on oil haulers, enhancing safety and efficiency during winter transport.

For each physical risk assessed, SM Energy has an Emergency Management Plan and regional emergency response plans to promote the health and safety of the Company's employees and contractors. These response plans provide protocols to minimize environmental impacts and plans for restoring normal operations to minimize downtime.

Company Risk Assessment

SM Energy has identified the following transition risks that are most relevant to long-term sustainable operations.

Transition Risk: Current and Emerging Regulation

SM Energy's operations are subject to complex laws and regulations, including environmental regulation, which could result in substantial costs and other operational risks. In 2024, the Company's ERM Committee presented to the Board its assessment of the Company's highest priority risks, which included risks associated with potential and/or upcoming regulatory changes. See section titled "TCFD Core Element - Risk Management" for discussion of the methodology of assessing and prioritizing risks.

The Company has ongoing measures in place designed to reduce emissions below what is required by current regulations, which mitigates the risk associated with increased regulation and/or a future carbon tax. See the section titled "TCFD Core Element - Risk Management" below for additional details regarding SM Energy's proactive mitigation efforts. Additionally, the Company has environmental targets in place as discussed herein.

Risk 1 - Carbon pricing mechanisms

Risk Description: The implementation of a carbon pricing mechanism could affect the economics of producing oil and natural gas across the sector as a direct increase to the cost of production, per barrel or Mcf, and through increased capital and operating costs associated with compliance and mitigating carbon emissions. While this potential risk would likely have an impact on all domestic oil and gas producers, the extent of the financial and operational impacts will vary depending on the emission intensity and cost structure of each company.

Dozens of countries and regions across the globe have implemented carbon pricing mechanisms which are typically in the form of direct fees on emissions or emissions trading systems. While the U.S. has adopted certain legislation to incentivize investments in clean energy, no carbon pricing mechanism has been implemented.

VALUE CHAIN	OPERATING AREAS	INCREASED COST	LIKELIHOOD	TIME HORIZON	MAGNITUDE
Direct Operations	Texas[1]	X	Unlikely	Medium- to Long-term	●●

[1] Currently only modeled for Texas assets. As noted herein, SM Energy is building knowledge of the recently acquired Uinta Basin assets (operatorship assumed on January 1, 2025) to effectively develop a baseline for Scope 1 and 2 emissions and model future emissions and related impacts.

Modeling Assumptions: SM Energy evaluated the impact of a carbon tax on projected Scope 1 and 2 emissions for the Company's Texas operations [1] over a ten-year period using carbon pricing assumptions from two IEA carbon scenarios:

- IEA APS: Based on carbon taxes implemented in advanced economies with net zero pledges (member countries of the Organization for Economic Co-operation and Development)
- IEA STEPS: Based on carbon taxes implemented in Canada and the European Union ("EU")

Given the low likelihood of a U.S. carbon tax being implemented in the short-term, a carbon tax was modeled beginning in 2030. Further, the emissions forecast incorporates the Company's planned actions to meet public emissions targets.

The following table summarizes the carbon tax assumptions [1] utilized in the Company's risk modeling for each IEA scenario which were applied to forecasted mT CO_2e per the emissions model.

SCENARIO	2030	2031	2032	2033	2034
IEA APS	$ 135.00	$ 139.00	$ 143.00	$ 147.00	$ 151.00
IEA STEPS	$ 133.00	$ 133.50	$ 134.00	$ 134.50	$ 135.00

[1] Sourced from the International Energy Agency (2024), World Energy Outlook 2024, IEA, Paris.

Additionally, SM Energy modeled future capital expenditures required to replace all remaining gas pneumatic control devices and install additional vapor control devices on all storage tanks and estimated compliance costs associated with stricter regulation.

Results: The hypothetical carbon tax and estimated costs to reduce emissions to meet public targets are not significant as a percentage of the Company's total annual operating cash flows (less than 5%) over the ten-year period analyzed. SM Energy believes this is attributable, in part, to the extensive mitigation efforts SM Energy has already taken to reduce emissions, as well as the overall resilience of its diversified portfolio of low break-even cost assets.

Response to Risk: See section titled "TCFD Core Element - Risk Management" below for details on these ongoing mitigation efforts.

Risk 2 - Mandates on and regulation of existing products and services

Risk Description: Federal and state regulatory initiatives and requirements relating to flaring, air quality and greenhouse gas emissions may result in operating restrictions or permitting delays which could affect SM Energy's revenues through limited production volume and/or increase the Company's compliance costs.

The following are examples of current or upcoming federal and state regulatory updates relevant to the 2024 reporting period:

- In May 2024, the EPA finalized additional rules for new/modified facilities (OOOOb) and existing facilities (OOOOc). OOOOb requires more frequent LDAR to be performed on a larger population of facilities, phase-outs of routine flaring and conversions of pneumatic controllers to non-emitting by May 2025. Under OOOOc, pneumatic controllers on existing facilities are required to be converted to non-emitting by 2029. SM Energy is meeting or exceeding LDAR requirements per the EPA rules.
- In accordance with the Inflation Reduction Act, the EPA finalized the EPA Waste Emission Charge ("WEC") in November 2024, defining the calculation for methane fees and filing submission process. However, the EPA published a final rule in May 2025 to remove the WEC regulation from the Code of Federal Regulations, and with the the One Big Beautiful Bill Act ("OBBBA") signed into law on July 4, 2025, the implementation of the WEC is delayed by 10 years until 2035, for emissions occurring in 2034.
- As of 2024, the Uinta Basin in Utah is designated as a moderate ozone non-attainment zone by the EPA. A non-attainment zone designation means that the state of Utah is required to develop an implementation plan to reduce emissions to achieve National Ambient Air Quality Standards ("NAAQS"). As a result of a non-attainment designation, SM Energy is subject to stricter regulations and control measures. The former operator complied with these regulations, and SM Energy remains committed to compliance.

SM Energy continuously monitors the regulatory environment and the actions of administrative agencies to determine the impacts and risks to the Company. SM Energy's Environmental and Regulatory Team stays informed of and monitors federal and state regulations and legislation through participation in various oil and gas trade organizations, engagement in state legislative sessions, and collaboration with the Company's peers and the communities where the Company's employees live and work. Please see further discussion of regulatory risks in the "Risk Factors" sections of the Company's most recent Form 10-K.

VALUE CHAIN	OPERATING AREAS	REDUCED REVENUE	INCREASED COST	LIKELIHOOD	TIME HORIZON	MAGNITUDE
Direct Operations	All	X	X	Likely	Medium-term	●

Modeling Assumptions: SM Energy modeled various production downtime scenarios to estimate the impact on revenue. In conjunction, the Company modeled additional costs of compliance with EPA requirements to convert pneumatic gas operated controllers, expand methane and vapor controls, and perform continuous methane monitoring at larger sites (estimated to be immaterial — less than $0.05/BOE increase to operating expense and less than 0.5% of annual forecasted capital expenditures). The operating costs modeled include additional costs required to comply with the EPA's NSPS OOOOb rule issued in May 2024, which requires more frequent LDAR monitoring over a larger number of facilities.

Results: The Company concluded that the impact from production downtime would be immaterial to forecast annual revenues for the years 2025 to 2034. The Company believes it would adeptly respond to regulations to prevent the risk of longstanding constraints on production and understands that any downtime incident would not likely result in lost reserve volumes and would only result in deferred revenues.

Response to Risk: The Company has ongoing measures in place to reduce emissions beyond what is required by current regulations, which mitigates the risk associated with increased regulation. See the section titled "TCFD Core Element - Risk Management" below for details on these ongoing mitigation efforts.

Transition Risk: Market

Risk 3 - Exposure to price volatility driven by global supply-demand dynamics

Risk Description: SM Energy's revenues and profits depend heavily on oil, gas and NGL prices. Fluctuations in commodity prices — driven by supply and demand shifts, including the move to lower carbon energy sources — can reduce cash flow and limit growth and access to capital.

VALUE CHAIN	OPERATING AREAS	REDUCED REVENUE	REDUCED COST	LIKELIHOOD	TIME HORIZON	MAGNITUDE [1]
Downstream	All	X	X	Possible	Long-term	●●●

[1] Given the inherent uncertainty of future energy markets, evaluating the magnitude of this risk is complex, and the financial magnitude of different pricing scenarios can vary widely.

Modeling Assumptions: The Company evaluated the resilience of its portfolio and calculated a theoretical range of financial outcomes to its ten-year LRP based on the following pricing scenarios:

- Lower carbon scenarios discussed above: IEA APS and IEA STEPS
    - Note: These price projections currently are more favorable than the bank and internal base price projections.
- Bank pricing assumptions used in the most recent credit facility redetermination process
- Forward strip
- Other internal base case and stress price scenarios

The Company does not take into account changes in capital allocation, cost reductions, acquisitions/divestitures, or application of new technologies, which could offset the outcome in an actual corporate plan.

Results: SM Energy differentiates itself by focusing on high-quality low breakeven inventory and expects to remain resilient under various low carbon price scenarios developed by the IEA. The Company believes it is strategically positioned to continue to support global future energy needs and sustainably grow value for the Company's stakeholders over the long-term through economic cycles and shifts in market demand.

Response to Risk: Global oil and gas price fluctuations driven by changing demand are external factors beyond the Company's direct control. While a significant reduction in oil and gas prices could have a material impact on SM Energy's profitability, there are typically correlative reductions in capital and operating costs, and the Company employs certain strategies in its long-term planning to mitigate this risk. SM Energy has longstanding priorities to continuously drive cost improvement and optimize development to remain resilient as market conditions and commodity prices change. The Company does not anticipate needing to make a significant shift in its business model but does foresee needing to continue making timely strategic decisions and pioneering innovation in the industry.

Water Stress: Access to and Disposal of Water

Risk Description: SM Energy's ability to produce oil, gas, and NGLs economically could be impaired if the Company is unable to access adequate supplies of water for its drilling and/or completions operations, or if the Company is unable to dispose of or recycle the water it produces at a reasonable cost and in accordance with applicable environmental rules. Further discussion of these risks is included in the Risk Factors section of SM Energy's 2024 Form 10-K.

VALUE CHAIN	OPERATING AREAS	REDUCED REVENUE	INCREASED COST	LIKELIHOOD	TIME HORIZON	MAGNITUDE
Direct Operations	All	X	X	Possible	Long-term	NM

Response to Risk: SM Energy relies on water for drilling and completions. According to the World Resources Institute's Aqueduct tool, approximately 94% of the Company's operations are based in locations with high to extremely high baseline water stress—areas where water usage accounts for a substantial proportion of the available supply. While the Company hasn't experienced water sourcing issues and does not expect any in the near future, it actively works to reduce risks tied to water stress in its operating areas.

The following table summarizes % of operations by water stress category, with a specific focus on operations located in areas designated as high and extremely high baseline water stress.

WATER STRESS CATEGORIES	SM ENERGY	UINTA BASIN	MIDLAND BASIN	SOUTH TEXAS
Low	— %	— %	— %	— %
Low-Medium	— %	— %	— %	— %
Medium-High	— %	— %	— %	— %
High	33 %	100 %	5 %	8 %
Extremely High	61 %	— %	77 %	92 %
Arid and Low Water Use	6 %	— %	18 %	— %
Total	100 %	100 %	100 %	100 %
Total High and Extremely High	94 %	100 %	82 %	100 %

SM Energy strives to engage in responsible water management practices and seeks to use recycled water where feasible to minimize the amount of water withdrawn from local sources and the amount of produced water injected for disposal. While the Company strives to minimize fresh water use in its operations, the Company considers various factors in its water sourcing strategy for each of its area of operations, including fresh water availability, development needs, water infrastructure, economic viability as well as regional risks and conditions. Fresh water usage is essential when drilling through shallow zones that may serve as future sources of fresh water.

In 2024, the Company recycled approximately 40% of the produced water generated from its operations. Further, approximately 50% of the water used for drilling and completion operations was sourced from recycled produced water generated from SM operations and/or purchased from outside operators. As part of the Company's water management strategy, it invests in water infrastructure and collaborates with service providers and nearby operators.

Water Conservation: In the Midland Basin, SM Energy prioritizes using recycled water for drilling and completions. In 2024, the Company set an internal sustainability goal for recycled water utilization. To meet this goal, SM Energy monitors changes in water needs and availability, and collaborates with nearby operators and third-party water management companies to use recycled water in its operations.

In the Uinta Basin, the Company prioritizes the use of recycled water for drilling and completions. SM Energy now owns and operates a sophisticated, field-wide water system in the Uinta Basin that allows the Company to gather produced water and treat it onsite to reuse in its operations. In 2024, over 60% of the total produced water in the acquired Uinta Basin operations was recycled and 75% of the total water used for drilling and completions operations was sourced from recycled produced water. The Company implemented a tool designed to optimize its water operations by monitoring booster stations (required to transport water uphill), enhancing efficiency to proactively address issues, and streamlining communications.

Currently, SM Energy does not recycle water in South Texas. This is primarily because the volume of water produced per hydrocarbon of Boe is so low that recycling infrastructure is not economically viable.

Please see section titled "TCFD Core Element - Metrics" for disclosure of key water management metrics for the 2024 reporting period.

Safe Transportation and Disposal of Water: Oil and natural gas operations require produced water disposal. SM Energy recycles produced water where feasible. When recycling is not an option, the Company is required to use regulated and approved disposal wells.

In the Midland Basin, SM Energy has invested in the development of over 90 miles of pipeline and several operated saltwater disposal ("SWD") wells, which has allowed the oversight of responsible and safe transportation and disposal of produced water. More than 95 percent of produced water from the Company's Howard County assets is transported via pipeline, which reduces emissions, truck traffic, spills and operating costs.

In South Texas, SM Energy has more than 30 miles of pipeline and water related infrastructure on its western acreage utilized for the safe transportation and disposal of produced water in third-party SWD wells.

In the Uinta Basin, SM Energy acquired more than 40 miles of pipeline and water related infrastructure, several operated SWD wells, and onsite treatment facilities, and continues to develop its ability to process produced water.

SM Energy carefully plans the location of its disposal wells to ensure that the Company's operations minimize any potential environmental impacts. When using third-party disposal wells, the Company audits new SWD wells to ensure the wells are approved and permitted by government agencies and wells are operated in compliance with applicable regulations.

Climate-Related Opportunities

SM Energy has identified the following transition opportunities that are most relevant to long-term sustainable operations.

Opportunity: Access to New Markets

The Company has a diversified investment portfolio consisting of both natural gas and oil assets and is well positioned to capitalize on opportunities discussed below related to expected increasing natural gas demand.

Opportunity 1 - Liquefied Natural Gas Demand

Opportunity Description: Rapid decarbonization of global power supply is expected to result in increased demand for liquefied natural gas ("LNG") exports from the United States ("U.S.") in order to meet future power sector demand, particularly as a substitute for coal or fuel oil-fired electricity, or for new capacity in areas that rely on harmful biomass fuels. The substitution of natural gas in place of coal and other carbon intensive fuels is an important component of the clean energy transition. New markets for LNG offer an opportunity for SM Energy to provide lower-emission products, which are differentiated in the market. SM Energy is well positioned to capitalize on this opportunity due to anticipated demand for LNG, the geographic location of its Midland Basin and South Texas assets in relation to LNG export sites, and existing pipeline infrastructure transportation capacity that can supply existing liquefaction plants that service overseas LNG markets.

The opportunity to realize a price premium on Texas regional natural gas production as a result of overseas LNG demand was spotlighted by foreign energy security needs in 2022 following the Russian invasion of Ukraine which disrupted historical supply routes. Recent global natural gas outlooks continue to support an increase in short- and medium-term LNG demand through 2030 as European markets diversify away from Russian gas and as gas demand grows in China and Southeast Asia.

There are various macroeconomic factors that could influence LNG supply and demand over the short- to medium-term time horizons.

- EU Demand: The EU has enhanced its LNG import capacity and utilization rate of LNG terminals, which could strengthen the security of LNG supply. Further, the EU European Commission has indicated plans to propose a ban on all Russian gas and LNG imports by 2027, which could lessen the EU's dependence on Russian gas and increase LNG export demand from the U.S.
- U.S LNG Export Projects: New LNG projects are expected to increase U.S. export capacity by nearly 50% by 2030. Three projects are in-progress and expected to be in service in 2025, and another two projects are targeted to be in-service by mid-2027.

There is indication of an LNG oversupply in the short-term, which may place downward pressure on global LNG prices and limit upside pricing potential for U.S. LNG, but this outcome will be dependent on U.S. LNG export capacity, winter weather over the next couple of years as well as other factors including the progress on a Russia-Ukraine peace deal. While there is some uncertainty in demand forecasts, market outlooks continue to indicate a market opportunity for LNG that could result in an increase in price.

The Company referenced materials from: LNG Journal | EU Moves to End Russian Gas Imports by 2027 (May 2025), International Association of Oil & Gas Producers LNG Protocol Statement | Navigating Towards 2040 (April 2025) and J.P. Morgan Natural Gas Reservoir | E&P March Madness; Updated Natural Gas Supply-Demand Model (March 2025) to support the discussions above.

VALUE CHAIN	OPERATING AREAS	INCREASED REVENUES	LIKELIHOOD	TIME HORIZON	MAGNITUDE
Downstream	Texas	X	Probable	Short- to medium-term	●●

Opportunity 2 - Electricity Demand Growth and Data Processing Centers

Opportunity Description: Recent economic outlooks forecast an increase in U.S electricity demand of 25% by 2030 (compared to 2023 levels) driven by economic growth, electrification of end-uses, and the growth in data processing centers associated with the build out of artificial intelligence applications. Data center demand is growing rapidly nationally and globally, and investment in these centers is outpacing clean energy investments. However, there is still uncertainty in data center power demand projects and per the IEA, data centers are expected to account for a relatively small share of total global electricity demand growth to 2030. In order to meet the projected increase in electricity demand power requirements (from data centers and other large power users), natural gas demand is expected to increase in the short and medium-term, which could result in an increase in price. Similar to the LNG markets discussed above, natural gas is a lower emission substitute for coal or fuel oil-fired electricity.

The Company referenced materials from: U.S. National Academy of Sciences Workshop and IEA World Energy Outlook 2024 (October 2024) to support the discussions above.

VALUE CHAIN	OPERATING AREAS	INCREASED REVENUES	LIKELIHOOD	TIME HORIZON	MAGNITUDE
Downstream	All	X	Probable	Short- to medium-term	●●

Modeling Assumptions: To assess the financial impact of potential rising natural gas prices, SM Energy modeled various internal scenarios using its LRP testing different price scenarios and capital allocation strategies that could be pursued if higher gas prices persist. The Company's diverse asset portfolio offers flexibility to shift capital between basins (markets) and products (oil, gas, and NGLs), enabling it to adapt to market conditions and pursue opportunities that enhance long-term profitability and stockholder value.

Results: These scenarios combined show a moderate potential benefit, which would help offset possible climate-related financial risks. The Company continues to review its short- to long-term plans to optimize capital allocation across its three core assets, considering factors like inventory, commodity prices, and market outlook. SM Energy maintains strong partnerships with midstream providers and purchasers, with contracts that allow the Company to benefit from rising natural gas or LNG export demand through exposure to favorable pricing indices.

Impact of Climate-Related Risks and Opportunities on Strategy

As discussed above, climate-related risks and opportunities have influenced SM Energy's strategy to explore for, develop, and produce a diversified portfolio of top-tier assets led by a highly technical team dedicated to stewardship and innovation. The Company's strategy is supported by structured oversight, including board-level review and executive accountability, with climate-related risks and opportunities reviewed regularly by the Board, the G&S Committee, and the ERM Committee as part of the Company's enterprise risk management framework.

Below are additional ways climate-related risks and opportunities are integrated into the Company's strategy:

- Maintaining a diversified mix of oil, natural gas, and NGLs to best adapt to potential changes in demand and pricing patterns unique to one or more products.
- Engaging with the Company's suppliers and customers on broader EHS efforts and specifically on climate-related risks and opportunities, as reducing GHG and methane emissions are among the most relevant ways the industry can contribute to mitigating climate-related risks while also meeting global energy demands. See sections "Emissions Reduction Activities" under "TCFD Core Element – Risk Management" and "TCFD – Other Disclosures" for additional discussion. Examples include:
    - Utilizing dynamic gas blending and electric fleets in completions operations, which allows for use of natural gas in place of diesel fuel. In 2024, SM Energy deployed dynamic gas blending ("DGB") and electric fleets in Texas for completion operations reducing combustion emissions by an estimated 44,000 mT CO_2e. In the Uinta Basin, the former operator utilized a centralized electric fleet, which SM Energy continued using with great efficiency.
    - Using non-methane emitting process controls for all new facilities, conducting OGI camera leak detection surveys, using a 3rd party for aerial LiDAR technology for methane detection, and using high destruction efficiency flares.
    - Converting certain gas lift compressors in the field to electric.
    - Using 100% local sand in its Midland Basin, South Texas, and Uinta Basin operations, which reduces Scope 3 emissions from sand transport. In the Uinta Basin, the Company owns a sand mine and has recently deployed a sand conveyor system that is expected to decrease traffic by nearly 80 vehicles per day, thereby decreasing Scope 3 emissions and improving road safety.
- Empowering its employees through continuous learning and investing in technology, which is at the core of SM Energy's culture driving differential performance in operations and sustainability. See section titled "Emissions Reduction Activities" under "TCFD Core Element – Risk Management." Examples include:
    - **People:** Deploying an Advanced Analytics and Emerging Technology team and a recently formed Technology Council co-chaired by the Company's Executive VP/CFO and Executive VP/COO with the goal of embracing the next era of technology and investing in the right technology at the right time.
    - **Leak Detection:** Piloting advanced leak detection technologies, including artificial intelligence ("AI") applications, laser optical gas imaging, methane detection cameras, and drones with remote sensing, to enable continuous monitoring and rapid leak identification.

- **Combustion Efficiencies:** Using microturbines in the Midland Basin as a lower-emission alternative to traditional generators. As of December 31, 2024, 15 microturbines were in operation.
- **Midland Basin Operations Surveillance Room:** In 2023, SM Energy launched a 24/7/365 Operations Surveillance Room ("OSR") in the Midland Basin to monitor nearly all of its oil, gas, and water sites in real time. By 2024, the OSR expanded its coverage and flare monitoring, enabling faster responses to safety, environmental, and operational issues. This system has improved the Company's ability to detect and address spills, emissions, and equipment problems quickly, benefiting both operations and local communities.
- **South Texas SCADA Room**: Operating 24/7/365 for over a decade, the South Texas SCADA room monitors more than 12,000 field devices in real time. SCADA operators oversee wellsite metrics, manage alarms and anomalies, monitor production facilities, equipment, and tank volumes, and conduct visual checks via camera systems. They have the ability to remotely shut-in wells during incidents, ensuring rapid response and operational safety. In parallel, teams specialized in instrumentation, electrical, and SCADA are actively piloting and deploying innovative technologies across the field—driving continuous improvement and enhanced operational efficiency.
- **Controller Upgrades:** In 2024 in Texas, the Company converted 271 intermittent gas pneumatic controllers to non-gas emitting devices and installed 403 air-powered pneumatic controllers at new facilities, cutting methane emissions by about 21,200 mT CO_2e.
- **Vapor Recovery Units:** Installing vapor recovery units ("VRUs") at production sites, capturing over 95% of valuable vapors for sale and reducing methane and air emissions.

- Driving employee accountability by tying compensation to annual sustainability goals, including safety, spill reduction, and lowering GHG and methane emissions intensity. See section titled "TCFD Core Element – Governance – Executive and Employee Compensation."
- Conducting annual and ongoing engagement, with SM Energy's stockholders, bondholders, and other stakeholders, to gather feedback on sustainability topics to inform decision making and enhance transparency through disclosures under the SASB and TCFD frameworks. Management regularly shares and discusses stakeholder feedback with the Company's full Board. Please refer to the Company's annual proxy statement for additional detail.
- Membership in various trade associations and coalitions, including AXPC, The Environmental Partnership ("TEP"), Texas Methane & Flaring Coalition, Western Energy Alliance ("WEA"), the Texas Oil and Gas Association ("TXOGA"), Permian Basin Producers Association ("PBPA"), and Utah Petroleum Association ("UPA") to stay informed of best practices in sustainability, stay current on federal, state, tribal and local regulations and legislation, and to collaborate and share key learnings with peer companies. Please refer to section titled "Other Disclosures" for detailed description of these organizations.

Resilience of Strategy

SM Energy is well positioned to support long-term global energy needs while delivering sustainable value to stockholders. The Company believes oil and natural gas remains essential to the long-term global energy mix, with the latest EIA International Energy Outlook projecting up to a 50% increase in primary energy demand by 2050 and even greater growth in electricity demand. However, SM Energy recognizes the importance of a lower carbon future and proactively addressing climate-related risks to its business.

The Company's diverse asset portfolio across Texas and Utah provides flexibility to shift capital between basins (markets) and products (oil, gas, and NGLs), allowing SM Energy to adapt to market conditions and pursue high-return opportunities. With 10+ years of high-quality, low breakeven, resilient inventory with >65% average projected return[1], SM Energy is positioned to generate strong returns through commodity price cycles and withstand commodity price volatility and climate-related market risk. Further, the Company has a proven track record of capital efficiency, adaptability and technical innovation.

[1] 2024 YE Inventory assessment as of January 1, 2025 | Based on flat long-term pricing of $70/Bbl oil, $3.50/MMBtu gas, and $26.60/Bbl NGLs and long-term average cost assumptions | Inventory life assumes 120-130 gross wells per year. | Expected average return based on average well spacing of ~1,400' per zone for Midland Basin and South Texas. Uinta Basin inventory is normalized to 10k foot laterals as the Company evaluates long-term development plan options.

TCFD Core Element – Risk Management

Process for Identifying, Assessing and Managing Climate-Related Risks

Risk Oversight and Identification

The Board oversees SM Energy's risk management processes and has delegated oversight of certain risks to its committees with relevant subject matter expertise. The process for identifying, assessing, and responding to climate-related risks and opportunities involves the multi-disciplinary G&S Management Committee, the ERM Committee, G&S Committee, and review by the Board.

The ERM Committee is governed by the Enterprise Risk Management Policy ("ERM Policy") and is responsible for managing SM Energy's overall risk management program and strategy. The ERM Committee meets regularly to discuss and, as necessary, update the Company's enterprise risk management processes and plan (the "ERM Plan"). The ERM Committee uses the risk management framework from the Treadway Commission's Committee of Sponsoring Organizations and then evaluates the Company's and peer company's publicly disclosed Risk Factors against the framework. Additional risks are evaluated and ranked based on information gathered during the Company's business strategy sessions and interviews with officers.

Risk Assessment and Management

The ERM Committee evaluates and prioritizes risks, including climate-related risks, based on their potential impact, likelihood, and timing, focusing on those that could materially affect the Company's strategic objectives. In assessing materiality, the Company uses both quantitative and qualitative metrics, considering potential effects on proved reserves, net income, operations, cash flow, Adjusted EBITDAX (as defined in the Company's most recent Form 10-K), liquidity, and stockholder and equity value.

The quantitative impact metric is graded into five categories from minimal to major, with an assigned dollar value range based on that expected impact to various metrics noted above. The qualitative metrics include Likelihood and Timeliness and use scoring of "almost certain" to "rare" and "very low" to "immediate," respectively. The risks are evaluated using the following weighting:

- Impact at 50%
- Likelihood at 25%
- Timeliness at 25%

Risks are ranked and reviewed with Company leadership to identify those most critical to strategic execution, then finalized for prioritization and assigned to owners for mitigation and monitoring. Top-ranked risks are reviewed at the ERM Committee's quarterly meetings, accompanied by presentations from designated risk owners outlining their scenario analyses and mitigation strategies.

Annually, the Board reviews the top-ranked risks alongside Internal Audit's assessment of ERM Plan effectiveness, which confirms that the ERM Committee is appropriately monitoring key risks and that the necessary people, processes, and systems are in place to manage them.

Integration of Climate-Related Risks into Overall Risk Management Process

The G&S Committee and G&S Management Committee oversee the Company's sustainability strategy which includes the review and evaluation of potential transition and physical risks and opportunities. In 2024, the G&S Management Committee met twice, the Board-level G&S Committee met five times, and the ERM Committee met four times (including detailed review of scenario analysis). Please see the section titled "TCFD Core Element – Strategy" for further discussion of Board and management committee oversight and responsibilities.

Climate-related risks are considered in the ERM framework and are included in the annual risk evaluation process described within this section. As part of this process, the Company considers legislative and regulatory initiatives and litigation related to climate change as well as changes in market and economic conditions that could impact the sector. These risks are described in the Company's annual Form 10-K and in the section titled "TCFD Core Element – Strategy".

Annually, a scenario analysis is conducted as part of SM Energy's long-term planning process. SM Energy utilizes a third-party sustainability reporting consultant to provide consulting and advisory services focused on supporting SM Energy's climate and scenario analysis processes and disclosures. The results of the scenario analysis and risk modeling performed are considered within the ERM matrix framework, and the modeling results are presented to the ERM Committee, G&S Management Committee, and G&S Committee.

Emissions Reduction Efforts and Risk Mitigation

SM Energy believes it is important to control emissions in the Company's operations and strives to comply with—and often exceed—air quality standards applicable to the Company's operations, including the U.S. Environmental Protection Agency's New Source Performance Standards. SM Energy is undertaking various initiatives around controlling GHG emissions, which are key to driving improvement in the Company's emissions and achieving the public emissions targets described below. Further, these efforts are an important element of SM Energy's risk mitigation strategy helping to reduce SM Energy's exposure to climate-related risks.

The following section provides discussion of current emission reduction efforts and practices in place in all three operating areas, as well as a historical timeline of environmental stewardship activities for SM Energy's Midland Basin and South Texas operations.

This table summarizes certain emissions reduction initiatives implemented in Texas and the estimated emissions reductions resulting from these initiatives.

EMISSIONS REDUCTION INITIATIVES – TEXAS ASSETS	UNIT	2024 EMISSIONS REDUCTIONS	2019–2024 EMISSIONS REDUCTIONS
Pneumatic controller upgrades or new installations	mT CO_2e	21,000	124,000
LDAR activities	mT CO_2e	34,000	137,000
Dynamic gas blending or electric fleets	mT CO_2e	44,000	52,000
Total emissions reductions	mT CO_2e	99,000	313,000
% Reduction in 2019–2024 Texas Scope 1 emissions as a result of this initiative	%	11 %	7 %

Methane Reduction Activities

Methane emissions associated with natural gas has become a growing area of focus for the oil and gas industry as shale gas production has increased. SM Energy has been at the forefront of methane reduction initiatives through early adoption of best practices, including becoming one of the first participants in TEP in early 2018 — a program focused on reducing methane emissions in the oil and gas industry.

In 2016, the EPA finalized regulations related to fugitive methane emissions. In 2020, the EPA revised some of those regulations, and in 2024, the EPA finalized additional rules for new/modified facilities (OOOOb) and existing facilities (OOOOc).

One of the methane sources included in the series of EPA OOOO rule makings is natural gas pneumatic controller devices. In the original EPA New Source Performance Standard OOOO regulations finalized in 2011, continuous high-bleed gas pneumatic controllers were prohibited at new and modified facilities. At this point, SM Energy had already discontinued using continuous high-bleed devices at new facilities, and had de minimis numbers at existing facilities. Since then, the Company has been focused on installing zero emissions and non-gas pneumatic controllers on all new facilities and converting pneumatic controllers to non-gas emitting devices on existing facilities, and continued these efforts in 2024.

In West Texas, the Company has converted nearly 100% of its pneumatic devices to operate on a compressed instrument air system, which replaces pressurized natural gas with atmospheric air, eliminating methane emissions.

In South Texas, SM Energy continues to convert pneumatic devices to zero-emissions electronic devices powered by renewable energy. The Company has adopted emerging technologies in its off-grid powered instrumentation, including a new solar power design that increases solar cell charging efficiency and battery back-up capacity using batteries similar to those found in some electric cars. The improved design enables continuous operations during inclement weather and significantly outlasts the lifespan of traditional batteries and reduces waste.

In the Uinta Basin, 100% of the OOOOb facilities have been converted to operate on instrument air systems and SM Energy is developing a plan to convert the remaining gas emitting controllers located on the recently acquired acreage.

The following represents a timeline of the Company's non-gas pneumatic controller upgrade and installation project for the Company's Midland Basin and South Texas operating areas:

YEAR	UPGRADES OR REMOVAL FROM SERVICE (NUMBER)	INSTALLATIONS ON NEW FACILITIES (NUMBER)	EMISSIONS REDUCTIONS ($mT\ CO_2e$)
2019	114	872	38,000
2020	–	535	21,000
2021	90	730	10,000
2022	183	366	19,000
2023	560	350	15,000
2024	271	403	21,000
Total	1,218	3,256	124,000
% Reduction in 2019-2024 Texas Scope 1 emissions as a result of this initiative			3 %

Methane Leak Detection and Mitigation

According to the 2019 IEA Global Methane Tracker, fugitive emissions were believed to account for approximately 20% of annual upstream methane emissions. In 2016, the EPA finalized regulations related to fugitive methane emissions. In 2020, the EPA revised some of those regulations, and in 2024, the EPA finalized additional rules for new/modified facilities (OOOOb) and existing facilities (OOOOc).

The following represents a timeline of the Company's Leak Detection and Repair program efforts:

YEAR	LDAR ACTIVITIES CONDUCTED - % OF PRODUCTION FACILITIES		EMISSIONS REDUCTIONS ($mT CO_2e$)
	MIDLAND BASIN	SOUTH TEXAS	TOTAL COMPANY
2019	100%	50%	10,000
2020	60%	60%	12,000
2021	100%	100%	26,000
2022	100%	100%	25,000
2023	100%	100%	30,000
2024	100% OOOOa and OOOOb	100%	34,000
Total			137,000
% Reduction in 2019-2024 Texas Scope 1 emissions as a result of this initiative			3 %

In accordance with EPA regulations, LDAR inspections occur on at least a semi-annual basis for EPA OOOOa facilities and quarterly for EPA OOOOb facilities for all three areas of operations. In 2019 and every year thereafter, SM Energy employed voluntary efforts in Texas that have exceeded EPA OOOOa regulations as well as exceeded Company LDAR goals, demonstrating its commitment to the TEP's Leak Detection and Repair program. In the Uinta Basin, SM Energy is conducting voluntary LDAR inspections beyond regulatory requirements and as of June 2025, the Company has completed 120 voluntary LDAR inspections. For LDAR inspections, the Company utilizes hand-held Optical Gas Imaging ("OGI") cameras following the EPA rules 40 CFR 60 NSPS OOOOa and OOOOb.

In 2024, the Company continued a pilot project with a third party to conduct bi-monthly aerial LiDAR flyovers in the Midland Basin over OOOOa facilities and major facilities. These surveys exceed EPA-required camera inspections, using Gas Mapping LiDAR (GML) technology, which is selective to methane and operates under various environmental conditions and wind speeds. Additionally, the technology captures concurrent digital aerial photography and LiDAR mapping of the surface height for identifying equipment and emission sources. Data from this platform is geo-registered to a global coordinate system, with an emission rate detection sensitivity of 150 scfh and a 95% detection probability. This technology provides a calculated leak rate and a strong correlative location to the leak source.

Piloting Advanced Methane Detection Technologies

SM Energy's approach goes beyond compliance—it's about leadership and innovation. In addition to the technologies employed and discussed above, SM Energy continues to identify and pilot other advanced technologies aimed at monitoring, detecting, and reducing emissions across its operations. To date, the Company has engaged more than 15 vendors to evaluate a wide range of methane emission reduction technologies, with each assessed for accuracy, precision, timeliness, actionability (response) and scalability, to ensure the most effective solutions are pursued. Below are examples:

- **Laser (LiDAR and TDLAS):** Rapid leak detection tools that enhances repair verification by using laser-based methane detection.
- **Continuous Monitoring Systems:** AI-integrated cameras that provide real-time alerts for methane and liquid leaks using OGI or Long Wave Infrared ("LWIR").
- **Drones:** Various drone technologies being tested including autonomous, high-precision drone-in-a-box system specializing in remote methane emission leak detection.

Flare Reduction Activities

Minimizing flaring is a key component of SM Energy's emissions reduction strategy, which is pursued through setting flaring targets, using flare reporting tools, identifying new opportunities and following the practices below:

- Collaboration with the Company's midstream gas purchasers to install gas offloads and interconnecting pipelines, which allows gas to be delivered to multiple purchasers during planned and unplanned downstream capacity constraints.
- Development and utilization of flare reporting tools, which provide daily information to support operational decision-making and measure results of annual flaring goals.
- Evaluation of well performance to shut-in lower value gas wells in areas impacted by temporary downstream constraints.
- Identification of alternative opportunities to sell the Company's gas in areas of limited infrastructure, including the sale of gas to companies to provide power for large data processing centers.
- Using the Company's own produced gas to fuel lease operations and completion activities, which improves overall efficiency and reduces the amount of gas that could be flared.
- Long-standing, active member of TEP and Texas Methane and Flaring Coalition to ensure alignment with industry best practices.

Other Risk Mitigation Efforts:

Please refer to the section titled "TCFD Core Element Strategy - Impact of Risks and Opportunities on Strategy" for additional examples of how SM Energy is mitigating climate-related risks.

TCFD Core Element – Targets and Metrics

The following section discloses key metrics used to assess and manage climate-related risks, as well as the Company's progress towards achieving the public emissions targets for Texas operations set forth in 2021.

The metrics and data below are as of December 31, 2024 with some comparisons to data as of December 31, 2023. On October 1, 2024, SM Energy completed the Uinta Basin acquisition as described above; however, did not assume operatorship until January 1, 2025. Unless otherwise stated, 2024 performance metrics include full calendar year data for acquired operations.

Organization Targets

In late 2021, SM Energy set forth the following Company-wide, short- and medium-term targets for the Company's Texas operations. The 2024 disclosures and discussions of the Company's public emissions targets—established in 2021 using 2019 as the baseline year for Texas operations only—exclude the recently acquired Uinta Basin assets. Effective with the 2025 performance period, SM Energy will revise its public emissions targets to reflect both the final Subpart W rule effective in 2025 and the inclusion of the Uinta Basin assets.

The Company has developed a pathway to achieving these Texas targets, identifying both near- and long-term actions to drive emissions reductions and improve sustainability performance. These goals are tracked on operations dashboards, reported to executive management monthly, and reported to the G&S Committee and the Board. Compensation programs are tied to sustainability targets and metrics, driving awareness and engagement across the Company.

TEXAS

CATEGORY	TARGETS	2024 PERFORMANCE	PROGRESS
Flaring – routine and non-routine	Zero routine flaring and non-routine flaring not to exceed 1% of natural gas production, each by 2023	**0%** Routine Flaring **0.37%** Total Flaring	**Achieved** **85%** reduction in flaring[5]
Scope 1[1] & 2[2] GHG emissions intensity[3][4]	50% reduction by 2030 2019 baseline of 14.04	**8.68** mT CO2e/MBoe	**On track to meet target** **38%** reduction in GHG emissions intensity[5] **76%** of target achieved
Methane emissions intensity[3][4]	Methane emissions intensity < 0.04 (mT CH4/MBoe)	**0.02** mT CH4/MBoe	**Achieved** Met goal each year since 2019 **63%** improvement [5]

Note: Targets and progress towards targets exclude the recently acquired Uinta Basin assets. Effective with the 2025 performance period, SM Energy will revise its public emissions targets to reflect both the final Subpart W rule, effective in 2025, and the inclusion of the Uinta Basin assets.

[1] Scope 1 emissions intensity is calculated by taking Scope 1 emissions (measured in mT CO2e) divided by gross MBoe production volumes (adjusted for divestitures and acquisitions per EPA rules during the year).

[2] Scope 2 emissions intensity is calculated by taking Scope 2 emissions (measured in mT CO2e) divided by gross MBoe production volumes (adjusted for divestitures or acquisitions during the year, as elected by the Company for comparability purposes).

[3] The coverage of this target is Company-wide for U.S. onshore operations including all basins reporting GHG to the EPA per GHG Mandatory Reporting Rule (40 CFR 98 Subpart W).

[4] Effective for the 2025 reporting period (to be published in 2026), the Final Subpart W Rule incorporates new calculation methods for greenhouse gas and methane emissions and expands reporting to include previously unreported sources. As a result of this calculation change, the Company expects reported metrics to increase.

[5] Improvement noted is 2024 compared to base-year 2019.

SM Energy has successfully achieved two of its three Texas public emissions targets. With the forthcoming inclusion of the Uinta Basin assets in the Company's targets, SM Energy is committed to building on the strategy and measures that drove these results ensuring sustained achievement of these goals over the long-term. The Company has made significant progress in reducing its Scope 1 and 2 emissions intensity and is confident in its ability to achieve the 2030 target through strategic investment in the following:

- zero-emission controllers
- LDAR program
- dynamic gas blending and electric fleets
- solar power
- new technologies, such as LiDAR, continuous multi-spectrum laser detection for methane, satellite surveillance, and other technologies

See further discussion of these initiatives herein.

Scope 1 and 2 Emissions and Methane Emissions

The following table details gross Scope 1 (direct GHG that is generated from sources a company owns or controls directly), gross Scope 2 emissions (indirect GHG from purchased energy), and methane emissions metrics. These metrics are inclusive of full-year performance data from of all operating assets, including the Uinta Basin despite acquiring on October 1, 2024. The Company reports Scope 1 emissions annually to the EPA and on its website, and reports estimated figures for non-GHG emissions in its annual SASB report.

	METRIC	2024	2023
Emissions [3][4]	Gross Scope 1 emissions ($mtCO_2e$)	887,972	484,493
	Gross Scope 2 emissions[1] ($mtCO_2e$)	113,706	108,214
	Combined Gross Scope 1 and 2[1] emissions ($mt\ CO_2e$)	1,001,678	592,707
	Methane emissions ($mT\ CH_4$)	1,958	2,450
Emissions Intensity [3][4]	Gross Scope 1 emissions[1] intensity ($mT\ CO_2e/MBoe$)	9.22	6.96
	Gross Scope 2 emissions[1] intensity ($mT\ CO_2e/MBoe$)	1.18	1.55
	Gross Scope 1 + 2[1] emissions intensity ($mT\ CO_2e/MBoe$)	10.40	8.52
	% change in Gross Scope 1 and 2 intensity[3]	22 %	4 %
	Methane emissions intensity ($mT\ CH_4/MBoe$)	0.020	0.035
Other Key Figures and Metrics	Gross annual production[2] (MBoe)	96,361	69,604
	Est. total CH_4 as a % of natural gas production	0.04 %	0.06 %
	Est. total CH_4 as a % of total hydrocarbon production	0.02 %	0.03 %

Note: SM Energy engaged a third party, ERM CVS Incorporated, for the reporting periods of January 1, 2024, to December 31, 2024, and January 1, 2023, to December 31, 2023, to provide limited assurance of the Emissions and Emissions Intensity metrics above.

Gross Scope 1+2 emissions intensity ($mT\ CO_2e/MBoe$) change from 2023 to 2024: The 22% increase in emissions intensity in 2024 compared with 2023 was due primarily to increased Scope 1 and Scope 2 gross emissions of 69% in 2024, partially offset by a 38% increase in total gross production volumes. 2024 emissions intensity increased primarily driven by the Uinta Basin acquisition (full year data reflected). Note that SM Energy assumed operatorship on January 1, 2025 and had no influence over Uinta Basin operations in 2024. The Uinta Basin assets are expected to have a higher emission intensity given the assets are at an early stage of development, with activity ramping up in recent years (emissions from completions, but no substantial base production like other mature assets). Additionally, the production and processing of Utah's waxy crude requires specialized equipment, such as heater treaters, which can lead to increased emissions. Texas 2024 emissions intensity increased slightly, 2%, primarily due to higher combustion emissions in the Midland Basin driven by the deployment of additional generators and turbines to supplement power needs amid increased operational activity and lack of available power grid.

[1] The scope 2 figure was calculated using a location-based method. Using this calculation method, scope 2 emissions is derived by multiplying the electricity consumed in Kwhs by the eGrid factor for the respective subregion as defined by the EPA. The eGrid factor uses the average emissions intensity of the grid in the location where electricity is consumed.

[2] Production volumes adjusted for divestitures and acquisitions during the year.

[3] Effective for the 2025 reporting period (published in 2026), the Final Subpart W Rule incorporates new calculation methods for greenhouse gas and methane emissions and also expands reporting to include previously unreported sources. As a result of this calculation change, the Company expects reported GHG and methane emissions and intensity metrics to increase for the 2025 performance period.

[4] Coverage is Company-wide for U.S. onshore operations and includes all basins reporting GHG to the EPA per GHG Mandatory Reporting Rule (40 CFR 98 Subpart W), which states that companies are required to report emissions in basins exceeding 25,000 mT $CO2_e$.

The following table details SM Energy's operated gross Scope 1 and Scope 2 emissions by basin.

METRIC	SOUTH TEXAS	MIDLAND BASIN	UINTA BASIN	TOTAL
Gross Scope 1 emissions[1][3] (mT CO_2e)	123,633	409,043	355,295	887,972
Gross Scope 2 emissions (location-based)[2][3] (mT CO_2e)	202	102,119	11,385	113,706
Gross Scope 1 emissions[1][3] and Scope 2 emissions (location-based) (mT CO_2e)	123,835	511,162	366,680	1,001,678
Gross annual production[4] (MBoe)	30,674	42,479	23,208	96,361
Gross Scope 1 and Scope 2 emissions intensity	4.04	12.03	15.80	10.40

[1] As reported per EPA GHG Mandatory Reporting Rule 40 CFR 98 Subpart W.

[2] Electric utility emissions

[3] Relates to upstream activities

[4] Production volumes adjusted for divestitures and acquisitions during the year.

There are no sources (e.g., facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within SM Energy's reporting boundary that are not included in the Company's disclosure herein.

Scope 1 Emissions Tables

The following table breaks down SM Energy's 2024 total gross Scope 1 (direct | owned/controlled) emissions by greenhouse gas type and the global warming potential ("GWP") factor for each greenhouse gas type.

GREENHOUSE GAS	GROSS SCOPE 1 EMISSIONS (MT CO_2e)	GWP[1] REFERENCE
CO_2	832,596	40 CFR 98 Subpart W U.S. EPA GHG Reporting Rule
CH_4	54,813	GWP of 28 per 40 CFR 98 Subpart W U.S. EPA GHG Reporting Rule
N_2O	563	GWP of 265 per 40 CFR 98 Subpart W U.S. EPA GHG Reporting Rule
Total	887,972	

[1] GWP measures of how much heat a gas will trap in the atmosphere over a certain time period compared to carbon dioxide (CO2).

The following table breaks down the Company's 2024 total gross Scope 1 emissions from oil and gas value chain production activities by greenhouse gas type.

EMISSIONS CATEGORY	VALUE CHAIN	GROSS SCOPE 1 CO_2 EMISSIONS (MT CO_2)	GROSS SCOPE 1 METHANE EMISSIONS (mT CH_4)	GROSS SCOPE 1 NITROGEN OXIDES (mT N_2O)	GROSS SCOPE 1 EMISSIONS (mT CO_2e) [5]
Combustion[1]	Upstream	703,958	462	2	717,424
Flaring[2]	Upstream	128,599	387	—	139,435
Venting[3]	Upstream	35	948	—	26,579
Fugitives	Upstream	4	161	—	4,512
Total		832,596	1,958	2	887,950
GWP Conversion Factor [4]		1	28	265	
Total mT CO_2e [5]		832,596	54,824	530	887,950

[1] Excludes flaring

[2] Includes flaring of associated gas and storage tank vapors

[3] Sources for vented emissions includes pneumatic devices and pumps, liquids unloading, well venting with hydraulic fracturing, gas well venting without hydraulic fracturing, and reciprocating compressors.

[4] Per 40 CFR 98 Subpart W U.S. EPA GHG Reporting Rule, the GWP conversion factor for methane (CH_4) and nitrogen oxides (N_2O) to CO_2e, is 28 and 265, respectively.

[5] Due to rounding, total does not tie to total Gross Scope 1 emissions (mT CO_2e) reported above.

Third Party Verification of Emissions Metrics

SM Energy engaged a third party, ERM CVS Incorporated, for the reporting period of January 1, 2024, to December 31, 2024, to provide limited assurance of the following metrics:

- Total Scope 1 GHG emissions (mT CO2e) and total Scope 2 GHG emissions (location-based) (mT CO2e)
- Total Scope 1 GHG emissions intensity (mT CO2e /MBoe) and total Scope 2 GHG emissions intensity (location-based) (mT CO2e /MBoe)
- Total Scope 1 and 2 GHG emissions (location-based) (mT CO2e) and total Scope 1 and 2 GHG emissions intensity (location-based) (mT CO2e /MBoe)
- Total methane emissions (mT CH4)
- Total methane emissions intensity (mT CH4/MBoe)

The Company is working towards limited assurance on the following water metrics:

- Freshwater Used (1) (MMBbl)
- Freshwater Intensity(2) (Bbls of freshwater used/Boe produced)
- Recycled Produced Water Percentage (1)
- Water Recycling Rate (2) (recycled water (Bbl)/ total water used (Bbl)

[1] SASB approved metric.

[2] AXPC approved metric.

ERM CVS Limited Assurance Report

Scope 3 Emissions

The following table details scope 3 emissions for business travel, employee commuting, and upstream leased assets for SM Energy's Texas assets. Scope 3 emissions data for the Uinta Basin assets was not collected for the 2024 performance period and will be incorporated into the 2026 sustainability reports based on 2025 performance data.

CATEGORY	EMISSIONS IN REPORTING YEAR (MT CO_2e)
Business travel [1]	888
Employee commuting [2]	381
Upstream leased assets [3]	2,033

[1] Spend from business travel (airfare, ground transportation, lodging) multiplied by EEIO GHG kg/$ emission factors.

[2] Total mileage from employee (passenger) vehicles multiplied by mass/mile GHG emission factors.

[3] Total mileage from leased Company vehicles (light duty trucks) multiplied by mass/mile GHG emission factors.

Scope 3 includes all other indirect emissions that occur in a company's value chain and is reported under 15 distinct reporting categories. The categories most relevant to the Company's operations are described below.

- **Purchased goods and services (category 1):** A significant portion of emissions for purchased goods and services and fuel- and energy-related activities are captured in the Company's Scope 1 and Scope 2 emissions calculations as these activities are included as a direct component of the Company's drilling, completion, and operational activities.
- **Capital goods (category 2), upstream and distribution activities (category 4), waste generated in operations (category 5), business travel (category 6), employee commuting (category 7), upstream leased assets (category 8)**: These categories are not considered to be a significant source of Scope 3 emissions for the Company. See above table for estimated Scope 3 emissions related to business travel, commuting, and upstream leased assets.
- **Downstream transportation and distribution (category 9):** As part of the Uinta Basin acquisition, SM Energy's operations expanded to include the use of rail systems operated by third-parties (but leased by the Company) to transport the Company's crude oil to market. Scope 3 emissions are not estimated for this category due to complexity of the calculation, and estimations and assumptions required for modeling that can render results less useful or incomparable.
- **Use of sold productions (category 11):** According to IPIECA's 2016 guidance document Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions, the use of sold products category of Scope 3 emissions typically represents over 80% to 90% of total emissions relating to oil and gas companies. The Company agrees with these estimates, and therefore, considers category 11 "use of sold products" as the most relevant.

  Scope 3 emissions are not estimated for category 11 due to the following: complexity of the calculation; unreliability of input data from tracking emissions from customers across multi-tier value chains; estimations and assumptions required for modeling that can render results less useful or incomparable; inconsistency of data across reporting companies; lack of control over downstream emissions; and, overstating of data given multiple entities in the value chain reporting the same emissions, causing the potential for misleading reports.

Additional Metrics:

Energy Consumption Data and Metrics

In 2024, SM Energy engaged in the following energy-related activities: consumption of fuel; consumption of purchased or acquired electricity and; consumption of electricity (renewable and non-renewable).

METRIC	2024	2023
Total electricity used (Gwh) [1]	2,098	1,965

[1] This figure includes 39 GWh of purchased electricity for the Uinta Basin assets. Fuel and electricity consumption data for these assets were not collected and are excluded from the total disclosed. However, usage is expected to be minimal, as electricity in the Uinta Basin primarily comes from generators as ESPs are not required for this basin, resulting in an overall low electricity usage for this area as a percentage of total company usage.

Water Management Metrics

The following table details total Company key water management metrics for the 2024 reporting period with comparisons to the 2023 reporting period. For further discussion of SM Energy's water management practices, please reference TCFD subsection titled "Physical Risk: Access to Water for Operations", the 2024 Corporate Sustainability Report, and SASB Topic: Water Management.

METRIC	2024	2023
Freshwater used [1] (MMBbl)	58.8	43.1
Freshwater intensity [1] (Bbls of freshwater used/Boe produced)	0.61	0.62
Recycled produced water [2] [Total Company recycled water (Bbl)/ Total Company produced water (Bbl)]	40 %	32 %
Water recycling rate [3] [Recycled water (Bbl)/ Total Company water used (Bbl)]	50 %	38 %

[1] AXPC approved metric.

[2] SASB approved metric. Recycled produced water percentage is calculated by dividing recycled water from SM Energy operations by total SM Energy produced water.

[3] AXPC approved metric. Water recycling rate percentage is calculated by dividing produced water reused (including Bbls purchased from third-parties) by total SM Energy water used.

Total Company recycling rates improved in 2024 driven by the acquisition of the Uinta Basin assets. This region has a robust recycling program, with over 60% of the produced water in 2024 reused for drilling and completions operations.

Net Production Volumes

The following table details SM Energy's net liquid and gas hydrocarbon production for the reporting year.

NET PRODUCTION VOLUMES	2024	2023
Oil (MMBbl)	29.4	23.8
Gas (Bcf)	137.0	132.4
Natural Gas Liquids (MMBbl)	10.2	9.7
Equivalent (MMBOE)	62.4	55.5

Hydrocarbon Reserves

SM Energy's estimated total net 1P reserves as of December 31, 2024, was 678.3 MMBoe. The Company does not publicly disclose 2P and 3P reserves. Please see SASB disclosure for quantification of forecasted carbon dioxide emissions embedded in proved hydrocarbon reserves for the Company's Texas assets. The emissions forecast was not completed for the Uinta Basin assets for the year-end December 31, 2024, and will be incorporated into the Company's process for future reports.

BREAKOUT OF NET PROVED RESERVES BY COMMODITY	
Crude oil/condensate	44 %
NGLs	38 %
Natural Gas	18 %

Please refer to SM Energy's most recent Form 10-K for discussion of the Company's internal controls over the recording of proved reserve estimates, the third party reserves audit performed over proved reserves, and a description of the Audit Committee of the Board of Directors and Management oversight over the reserves process.

Carbon Price

The Company uses an internally generated cost of carbon of $30 per mT of CO2e for budget and planning purposes. The Company also evaluates the financial impacts of the cost of carbon using the IEA APS and IEA STEPS scenarios. See section titled "TCFD Core Element - Strategy - Risk 1 - Carbon pricing mechanisms" above for further discussion.

TCFD – Other Disclosures

Policy, Law and Regulation Engagement

SM Energy engages in activities that could either directly or indirectly influence policy, law, or regulation that may impact climate policy. These activities include the Company's membership in trade associations or coalitions.

Trade Memberships

SM Energy maintains memberships in the following trade associations and coalitions: TEP, AXPC, TXOGA, UPA, WEA and PBPA. SM Energy's position on climate change policy is in alignment with policies of these trade associations.

Trade Association: The Environmental Partnership

TEP and its members commit to delivering industry-led solutions to reduce GHG emissions and actively work on policies addressing climate-related risks. TEP recognizes that the oil and natural gas industry plays a vital role in providing affordable, reliable, and sustainable energy that advances human and economic prosperity.

As a small to mid-cap company with finite resources, SM Energy largely relies on peer data and its participation in industry trade groups and programs, such as TEP, to inform its business and operational decisions related to the legal, regulatory, and social environment in which the Company operates, including climate-related issues.

Trade Association: American Exploration & Production Council

AXPC is a national trade association representing the largest independent oil and natural gas exploration and production companies in the U.S. American oil and gas producers have an irreplaceable role in meeting the challenge of global climate change. AXPC supports innovative, collaborative solutions that lower greenhouse gas emissions while meeting the world's growing need for abundant, low cost, reliable energy. AXPC works with regulators and policymakers to better educate them on oil and gas industry operations so that they will be able to create sound, fact-based public policies that result in the safe, responsible exploration and production of America's vast oil and natural gas resources.

Oil and gas companies routinely report on sustainability performance, demonstrating their accountability for addressing challenges and risks affecting the industry, the environment, and commitment to sustainable operations. Robust sustainability reporting is important to both companies and stakeholders, and while there are a number of frameworks available, there has been no standardized framework for reporting consistent metrics with consistent methodologies for the upstream oil and gas industry.

To provide investors and the public with transparency and consistency for key upstream sustainability indicators, the AXPC launched the AXPC ESG Metrics Framework and Template in February 2021. The template is available for use on a voluntary basis in sustainability reporting beginning in 2021. The AXPC's ESG Metrics and Framework centers around five key metrics groupings that AXPC members believe are essential to capture in promoting more consistent reporting across its members companies – GHG Emissions, Flaring, Spills, Water Use and Safety.

The following principles guide the AXPC's climate advocacy efforts, including policy that:

- facilitates meaningful GHG emissions reductions;
- balances economic, environmental and energy security needs; and
- promotes innovation

SM Energy's membership in AXPC is active, and the Company's President and CEO serves on the AXPC Board of Directors. Certain employees of the Company also participate on certain AXPC committees, including the ESG and EHS Committees, and various workgroups in support of deriving safety and emissions metrics most relevant to the oil and natural gas industry, and to ensure comparative disclosures with peer groups.

The Company funded AXPC approximately $350,000 to maintain an active membership and participation in AXPC member peer benchmarking for sustainability data.

Trade Association: The Texas Oil and Gas Association

The Texas Oil and Gas Association is a trade association whose members represent the entire value chain of the Texas oil and natural gas industry, which account for nearly half of the nation's total oil supply and one-quarter of natural gas production. TXOGA states that its members enrich human lives throughout Texas and the world by providing affordable, reliable energy to consumers. TXOGA supports and encourages its members to prioritize environmental stewardship and collaboration in developing innovative solutions and breakthrough technologies to meet the energy demands of today and the future.

As the world seeks to address climate change, TXOGA members continue to play an essential role by delivering meaningful greenhouse gas emission reductions and innovative solutions. To further achieve climate progress, greenhouse gas emission-reduction efforts are a global responsibility with participation from all sectors and industries. TXOGA supports public policy that recognizes oil and natural gas are indispensable, facilitates meaningful GHG emissions reductions, and balances economic, environmental, energy and national security needs while promoting innovation. TXOGA seeks to be part of the solution to climate change.

SM Energy's membership with TXOGA is active. In 2024, SM Energy's Senior Vice President of Texas served on its Board of Directors. The Company funded TXOGA approximately $109,000 to maintain an active membership and involvement with TXOGA.

Trade Association: Utah Petroleum Association

The Utah Petroleum Association is a Utah-based petroleum trade association. The UPA serves member companies involved in upstream, midstream and downstream oil and gas activities and service providers that support the industry. It advocates for policies that support the industry's growth and sustainability, provides a platform for collaboration among industry members, and promotes best practices in environmental stewardship and safety. UPA also engages in public education and outreach to inform the community about the benefits and challenges of the oil and gas sector. The Company funded the UPA approximately $15,000 in 2024 to maintain an active membership.

Trade Association: Western Energy Alliance

The Western Energy Alliance is a Denver-based trade association that represents independent oil and natural gas companies operating across the western United States. The organization advocates for environmentally responsible exploration and production on public lands, and it plays a prominent role in shaping federal energy policy, particularly around permitting, leasing, and regulatory reform. SM Energy is an active member of WEA.

Trade Association: Permian Basin Producers Association

The PBPA is a trade association serving West Texas and Southeastern New Mexico. PBPA's goal is to promote safe and responsible oil and gas development while offering its members educational seminars on safety, legislation, regulation; providing access to policy makers; facilitating networking events; and providing other support services. The PBPA also acts as a knowledgeable and influential advocate for the industry, representing its interests on legislative, regulatory, and educational matters both regionally and in Washington, D.C. SM Energy is an active member and funded PBPA approximately $25,000 in 2024 to maintain an active membership.

Sustainability Reports

Additional sustainability reports are published to SM Energy's website at www.sm-energy.com/sustainability and include the following:

- Letter from Our CEO to Stakeholders
- Performance Highlights and Quick Reference Metrics
- 2025 Sustainability Accounting Standards Board Report Disclosures
- 2024 Corporate Sustainability Report

SM|ENERGY

Based on 2024 Data

2025 Sustainability Accounting Standards Board Disclosures

2025 Sustainability Accounting Standards Board Disclosures | 2024 Data

Legal

Definitions and calculations of certain sustainability-based disclosures vary among companies, reporting frameworks, investment professionals, and other users of the disclosed data. As a result, such disclosures and calculations may not be directly comparable to similarly titled definitions and calculations of other companies.

SM Energy Company's (the "Company") Sustainability Accounting Standards Board ("SASB") report contains "forward-looking statements" within the meaning of securities laws. Forward-looking statements in this report include discussion of potential future risks and opportunities, and the Company's processes, intentions, objectives, and expectations in managing potential future risks and opportunities. All statements, other than statements of historical fact, included in the SASB report are subject to assumptions, risks, and uncertainties that are beyond SM Energy's control, and such statements are not promises or guarantees of future conduct, policy, or operational activities. These statements involve known and unknown risks, which may cause SM Energy's actual results to differ materially from information expressed or implied by the forward-looking statements. Future results, plans, objectives, expectations and forecasts may be impacted by the risks discussed in the Risk Factors section of SM Energy's most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, or other filings with the SEC. The forward-looking statements contained herein speak as of the date of this report. Although SM Energy may from time to time voluntarily update its prior forward-looking statements, it disclaims any commitment to do so, except as required by securities laws.

The information contained herein is not meant to correspond with the concept of materiality associated with disclosures required by the U.S. Securities and Exchange Commission.

Uinta Basin Acquisition

In October 2024, SM Energy acquired approximately 63,300 net acres located in the core of the Uinta Basin in northeastern Utah, adding scale and a third core area to the Company's top-tier portfolio. The Uinta Basin acquisition added estimated net proved reserves of 99.9 MMBoe and net production volumes of 36.1 MBoe/day for the three months ended December 31, 2024, significantly expanding the Company's size. The Company assumed operatorship of these assets on January 1, 2025, following the expiration of a transition services agreement with the previous operator.

This report discloses SM Energy's performance data from January 1, 2024 through December 31, 2024 with some references to past, current or future activities. Unless otherwise stated, 2024 performance metrics disclosed in this report are inclusive of full 2024 calendar year data for acquired operations aligning with the Environmental Protection Agency ("EPA") Subpart W[1] reporting that requires full year reporting of Scope 1 GHG emissions by the operator of record as of year-end, regardless of timing of ownership transfer. SM Energy applied this approach to all performance metrics to establish a baseline for comparability. The Uinta Basin acquisition closed on October 1, 2024 but the Company did not have operational control over the Uinta Basin assets in 2024. SM Energy believes there are opportunities to drive improvement in sustainability performance as the Company successfully integrates its Uinta Basin operations with its sustainability expectations.

The 2024 disclosures and discussions of the Company's public emissions targets—established in 2021 using 2019 as the baseline year for Texas operations only—exclude the recently acquired Uinta Basin assets. Effective with the 2025 performance period, SM Energy will revise its public emissions targets to reflect both the final Subpart W[1] rule effective in 2025 and the inclusion of the Uinta Basin assets.

Qualitative disclosures include discussion of sustainability initiatives for all three of SM Energy's operating areas. Disclosures related to the Uinta Basin will continue to evolve and expand over time as SM Energy continues implementing its sustainability strategy and initiatives.

[1] Subpart W of the EPA's Greenhouse Gas Reporting Program ("GHGRP") requires oil and natural gas operators to annually report greenhouse gas emissions from the Company's operations.

TOPIC

Greenhouse Gas (GHG) Emissions

ACCOUNTING METRIC	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Metric tonnes of Carbon Dioxide equivalent (mT CO2e), Percentage (%)	EM-EP-110a.1

SM Energy's Response

Gross Scope 1 emissions: 887,972 mT CO_2e

Percentage Methane: 6.17%

Percentage covered under emissions-limiting regulations: 0%

Comment: As reported per EPA GHG Mandatory Reporting Rule 40 CFR 98 Subpart W.

ACCOUNTING METRIC	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	mT CO_2e	EM-EP-110a.2

SM Energy's Response

Amount of gross global Scope 1 emissions from: (1) Flared: 139,484 mT CO_2e (includes flaring of associated gas and tank vapors); (2) Combustion (other than flaring): 717,413 mT CO_2e; (3) Process emissions: none; (4) Other vented emissions (includes gas pneumatic devices and pumps, liquids unloading, well venting with hydraulic fracturing, gas well venting without hydraulic fracturing, and reciprocating compressors): 26,565 mT CO_2e; and (5) Fugitive emissions: 4,511 mT CO_2e.

ACCOUNTING METRIC	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against these targets

CATEGORY	UNIT OF MEASURE	CODE
Discussion and Analysis	N/A	EM-EP-110a.3

SM Energy's Response

SM Energy believes it is important to control emissions in the Company's operations and strives to comply with—and often exceed—air quality standards applicable to the Company's operations, including the U.S. Environmental Protection Agency's New Source Performance Standards. SM Energy reports annual required GHG emissions data to the U.S. Environmental Protection Agency ("EPA") and on the Company's website.

Emissions Reduction Targets Set for Key Metrics

In late 2021, SM Energy set forth the following Company-wide, short- and medium-term targets for the Company's Texas operations. The 2024 disclosures and discussions of the Company's public emissions targets—established in 2021 using 2019 as the baseline year for Texas operations only—exclude the recently acquired Uinta Basin assets. Effective with the 2025 performance period, SM Energy will revise its public emissions targets to reflect both the final Subpart W rule effective in 2025 and the inclusion of the Uinta Basin assets.

The Company has developed a pathway to achieving these Texas targets, identifying both near- and long-term actions to drive emissions reductions and improve sustainability performance. These goals are tracked on operations dashboards, reported to executive management monthly, and reported to the G&S Committee and the Board. Compensation programs are tied to sustainability targets and metrics, driving awareness and engagement across the Company.

TEXAS

CATEGORY	TARGETS	2024 PERFORMANCE	PROGRESS
Flaring – routine and non-routine	Zero routine flaring and non-routine flaring not to exceed 1% of natural gas production, each by 2023	**0%** Routine Flaring **0.37%** Total Flaring	**Achieved** **85%** reduction in flaring[5]
Scope 1[1] & 2[2] GHG emissions intensity[3][4]	50% reduction by 2030 2019 baseline of 14.04	**8.68** mT CO2e/MBoe	**On track to meet target** **38%** reduction in GHG emissions intensity[5] **76%** of target achieved
Methane emissions intensity[3][4]	Methane emissions intensity <0.04 (mT CH4/MBoe)	**0.02** mT CH4/MBoe	**Achieved** Met goal each year since 2019 **63%** improvement[5]

Note: Targets and progress towards targets exclude the recently acquired Uinta Basin assets. Effective with the 2025 performance period, SM Energy will revise its public emissions targets to reflect both the final Subpart W rule, effective in 2025, and the inclusion of the Uinta Basin assets.

[1] Scope 1 emissions intensity is calculated by taking Scope 1 emissions (measured in mT CO2e) divided by gross MBoe production volumes (adjusted for divestitures and acquisitions per EPA rules during the year).

[2] Scope 2 emissions intensity is calculated by taking Scope 2 emissions (measured in mT CO2e) divided by gross MBoe production volumes (adjusted for divestitures or acquisitions during the year, as elected by the Company for comparability purposes).

[3] The coverage of this target is Company-wide for U.S. onshore operations including all basins reporting GHG to the EPA per GHG Mandatory Reporting Rule (40 CFR 98 Subpart W).

[4] Effective for the 2025 reporting period (to be published in 2026), the Final Subpart W Rule incorporates new calculation methods for greenhouse gas and methane emissions and expands reporting to include previously unreported sources. As a result of this calculation change, the Company expects reported metrics to increase.

[5] Improvement noted is 2024 compared to base-year 2019.

SM Energy has successfully achieved two of its three Texas public emissions targets. With the forthcoming inclusion of the Uinta Basin assets in the Company's targets, SM Energy is committed to building on the strategy and measures that drove these results ensuring sustained achievement of these goals over the long-term.

The Company has made significant progress in reducing its Scope 1 and 2 emissions intensity and is confident in its ability to achieve the 2030 target through strategic investment in the following:

- zero-emission controllers
- LDAR program
- dynamic gas blending and electric fleets
- solar power
- new technologies, such as LiDAR, continuous multi-spectrum laser detection for methane, satellite surveillance, and other technologies

See further discussion of these initiatives herein.

Compensation Tied to Sustainability Metrics

For the 2024 performance period, SM Energy continued to include sustainability metrics in both its short-term and long-term incentive compensation plans to align executive pay outcomes with the interests of the Company's stakeholders. Quantitative sustainability metrics, including measures related to employee and contractor safety performance, spill performance, and greenhouse gas emissions (gross CO2e and methane intensity), comprise substantial weightings in both its short- and long-term incentive plans (15% and 25% weightings, respectively).

Please refer to "TCFD Core Element - Governance" and most recent proxy statement for further detail.

Discussion of Emissions Reduction Efforts

SM Energy combines collaboration across its teams with innovation to identify ways in which the Company can reduce emissions. In managing Scope 1 emissions, the GHG emissions most relevant to the Company include CO_2 and CH_4 emissions. Areas of opportunity include reduced flaring, improved vapor recovery, application of improved controller technology, improved efficiency of combustion practices, and continued evaluation and investment in leak detection technology. SM Energy also engages with its supply chain vendors on emissions measurement and reduction strategies as described below.

The following describes key areas where SM Energy is making progress.

Flaring Reduction Initiatives

SM Energy desires to minimize flaring by setting targets, developing the appropriate monitoring tools, and identifying projects that support that objective. By 2023, the Company met its Texas operations target of zero routine flaring and non-routine flaring not to exceed 1% of natural gas production on average for the year and continued to meet this target in 2024. The Company continues to strive for further improvement through the deployment of various practices described below. Each year, a flaring goal is set and routine and non-routine flaring metrics are monitored using daily operational data that provides operations management with the information needed to identify root causes for flaring and to take actions.

The Company engages in the following practices to minimize flaring:

- Collaboration with the Company's midstream gas purchasers to install gas offloads and interconnecting pipelines, which allows gas to be delivered to multiple purchasers during planned and unplanned downstream capacity constraints.
- Development and utilization of flare reporting tools, which provide daily information to support operational decision-making and measure results of annual routine and non-routine flaring goals.
- Launch of a 24/7/365 Operations Surveillance Room ("OSR") in the Midland Basin to monitor nearly all of its oil, gas, and water sites in real time, with flare monitoring enabling faster responses to safety, environmental, and operational issues.
- Evaluation of well performance to shut-in lower value gas wells in areas impacted by temporary downstream constraints.
- Identification of alternative opportunities to sell the Company's gas in areas of limited infrastructure, including the sale of gas to companies to provide power for large data processing centers.
- Using the Company's own produced gas to fuel lease operations and completion activities, which improves overall efficiency and reduces amount of gas that could be flared.
- Long-standing, active member of The Environmental Partnership ("TEP") and Texas Methane and Flaring Coalition to ensure alignment with industry best practices.

Improving Vapor Recovery

SM Energy uses a process commonly referred to as green completions. By constructing infrastructure that allows for production to be directly routed to facilities and pipelines, the Company strives to design and maintain its facilities to minimize flaring and capture emissions attributable to well completions. The Company has prioritized the installation of vapor recovery units ("VRUs") at its production facilities to address GHG and non-GHG emissions sourced from storage tank venting. This allows the Company to capture, recover, and sell volatile organic compounds ("VOCs"), as well as methane, to increase efficiency while reducing GHG emissions. SM Energy has deployed a continuous monitoring system for its VRUs across the Company's Midland Basin operations that combines SCADA data with vendor-specific register maps, enabling continuous monitoring in order to calculate different run-time metrics for reporting purposes.

Upgrading Controllers

SM Energy seeks to reduce its already low methane emissions by installing zero emissions and non-gas emitting pneumatic controllers on all new facilities and converting pneumatic controllers to non-gas emitting devices on existing facilities.

In the Midland Basin, the Company has converted nearly 100% of its pneumatic devices to compressed instrument air systems, which replaces pressurized natural gas with atmospheric air, eliminating methane emissions.

In South Texas, SM Energy continued converting pneumatic devices to zero-emissions electronic devices powered by renewable energy. The Company has adopted emerging technologies in its off-grid powered instrumentation, including a new solar power design that increases solar cell charging efficiency and battery back-up capacity using batteries similar to those found in some electric cars. The improved design supports continuous operation during inclement weather, extends well beyond traditional battery lifespans, and reduces waste.

In the Uinta Basin, 100% of the OOOOb facilities have been converted to operate on instrument air systems and SM Energy is developing a plan to convert the remaining gas emitting controllers located on the recently acquired acreage.

Sophisticated Leak Detection and Repair Programs

Beginning in 2016, SM Energy initiated a leak detection and repair ("LDAR") program at all new facilities in accordance with the EPA NSPS OOOOa rules. Since initiation of the program, the Company has utilized various detection techniques and systems across all operations to monitor and prevent fugitive emissions, including the following:

- **Midland Basin Operations Surveillance Room and South Texas SCADA Room:** The Midland Basin Operations Surveillance Room ("OSR") and South Texas SCADA room provide real-time monitoring at nearly all of the Company's locations improving response time to leak and spill events.
- **Optical Gas Imaging:** SM Energy utilizes optical gas imaging ("OGI") cameras to conduct LDAR across all three areas of operations as part of its maintenance program and in compliance with EPA regulation. In 2024, SM Energy conducted LDAR at all EPA OOOOa and OOOOb facilities in the Midland Basin and at all South Texas production facilities exceeding the base federal and state regulatory requirements. In the Uinta Basin, SM Energy is conducting voluntary LDAR inspections beyond regulatory requirements and as of June 2025, the Company has completed 120 voluntary LDAR inspections.
- **Audio, Visual, and Olfactory Inspection:** The Company performs frequent audio, visual, and olfactory inspections of its operations to identify the presence of a leak and to identify equipment at risk for a future leak.
- **Aerial LiDAR Flyovers:** SM Energy is a participating member with TEP and in 2024, continued a pilot project with a third party to conduct bi-monthly aerial LiDAR flyovers in the Midland Basin over OOOOa facilities and major facilities. The flyover surveys go beyond the required camera inspections required by the EPA. Please reference TCFD for additional discussion of the flyover technology.

SM Energy continues to pilot advanced methane detection technologies, including continuous monitoring, to enhance leak detection, ensure safe operations, and enable rapid response and repair.

Supply Chain

SM Energy continues to pursue opportunities to reduce emissions across the supply chain. Below are some examples:

- Using pumping service vendors that can provide dynamic gas blending (DGB) and electric fleets enabling the Company to use natural gas in lieu of diesel fuel. SM Energy is currently utilizing both DGB and electric fleets in Texas and Utah.
- Employing electric-driven gas lift compression, where practical, to reduce overall emissions.
- Using 100% local sand in all three areas of operations, which reduces Scope 3 emissions from sand transport. In the Uinta Basin, the Company owns a sand mind and has recently deployed a sand conveyor system that will decrease traffic by nearly 80 vehicles per day, thereby decreasing Scope 3 emissions and improving road safety.

SM Energy engages suppliers on climate-related issues by incorporating sustainability questions into major bids and using a sustainability scorecard launched in 2022 through the contractor engagement clearinghouse to assess and improve vendor sustainability practices. By 2024, the scorecard had been shared with 54 suppliers, covering 66% of the Company's spend, with a phased rollout continuing.

In 2024, SM Energy worked with over 1,200 suppliers, 614 of whom are part of the contractor clearinghouse mentioned above, that tracks safety and sustainability data. Of these, 585 suppliers—representing 86% of SM Energy's spend—completed at least 75% of a 56-question sustainability survey, achieving 98% participation. The Company aims to maintain over 90% participation going forward to continue reinforcing the importance of sustainability awareness and commitment by its suppliers.

Customer Engagement

SM Energy has partnered with the Company's midstream gas purchasers to install gas offloads and interconnecting pipelines, which allows gas to be delivered to multiple purchasers during planned and unplanned downstream capacity constraints. SM Energy has experienced reduced flaring as evidenced by the Company's flaring percentage relative to gas production in the Midland Basin. As of year-end 2024, efforts on developing alternative gas sales outlets have prevented the flaring of ~11.3 Bcf of gas since this program was adopted in 2018. Further, the total value of using the offloads and split connects was ~$45MM. In 2024, the Company's Permian flaring rate is estimated to have been 2.5 to 3 times higher had these offloads and split connects not been in place.

TOPIC

Air Quality

ACCOUNTING METRIC	Air emissions of the following pollutants: (1) NOx (excluding N_2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM_{10})

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Metric tonnes (mT)	EM-EP-120a.1

SM Energy's Response

Air emissions of the following pollutants (each in mT): (1) NOx: 1,967; (2) SOx: 223; (3) VOCs: 2,697; and (4) PM_{10}: 114.

TOPIC

Water Management

ACCOUNTING METRIC	(1) Total water withdrawn, (2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Thousand cubic meters (m^3), Percentage (%)	EM-EP-140a.1

SM Energy's Response

1. Freshwater is only tracked as used/consumed, not withdrawn.

2. 9,403 thousand m^3; According to the World Resources Institute's Aqueduct tool, approximately 94% of the Company's operations are based in locations with high to extremely high baseline water stress—areas where water usage accounts for a substantial proportion of the available supply. While the Company hasn't experienced water sourcing issues and does not expect any in the near future, it actively works to reduce risks tied to water stress in its operating areas.

The following table summarizes % of operations by water stress category, with a specific focus on operations located in areas designated as high and extremely high baseline water stress.

WATER STRESS CATEGORIES	SM ENERGY	UINTA BASIN	MIDLAND BASIN	SOUTH TEXAS
Low	—%	—%	—%	—%
Low-medium	—%	—%	—%	—%
Medium-high	—%	—%	—%	—%
High	33%	100%	5%	8%
Extremely high	61%	—%	77%	92%
Arid and low water use	6%	—%	18%	—%
Total	100%	100%	100%	100%
Total high and extremely high	94%	100%	82%	100%

Please refer to the Corporate Sustainability Report and TCFD Report for description of water management practices.

ACCOUNTING METRIC	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Thousand cubic meters (m^3), Percentage (%), Metric tonnes (mT)	EM-EP-140a.2

SM Energy's Response

21,164 thousand m^3; (1) 0%, (2) 60%, (3) 40%; N/A

ACCOUNTING METRIC	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Percentage (%)	EM-EP-140a.3

SM Energy's Response

100%

ACCOUNTING METRIC	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Percentage (%)	EM-EP-140a.4

SM Energy's Response

0%

TOPIC

Biodiversity Impacts

ACCOUNTING METRIC	Description of environmental management policies and practices for active sites

CATEGORY	UNIT OF MEASURE	CODE
Discussion and Analysis	N/A	EM-EP-160a.1

SM Energy's Response

Land

SM Energy's operations are located onshore in eight counties in the state of Texas and two counties in the state of Utah. The Company's acreage in Texas is not located on protected conservation areas, endangered species critical habitats, or indigenous lands. The Company's acreage in Utah is not located on protected conservation areas or endangered species critical habitats; however, a portion is located on indigenous lands. Accordingly, in these areas, SM Energy is subject to distinct tribal laws, ordinances, rules and regulations covering lease provisions, royalty matters, drilling and production requirements, environmental standards, and tribal employment and contractor preferences under the Ute Tribe Employment Rights Office ("UTERO"). Additionally, a portion of SM Energy's Uinta Basin acreage is located on federal lands and subject to oil and gas leases administered by the Bureau of Land Management ("BLM").

Environmental risks on land most relevant to the Company's operations are fluid spills, waste management, and water recycling; however, the Company considers applicable regulations (including those listed in the Oversight and Compliance section below) relating to ecology, biodiversity, waste, noise, emissions, chemicals, water consumption, and water discharge in its development plan and pad/facility design and in its operational decisions.

SM Energy understands the importance of respecting the land on which the Company operates and takes the following key steps to protect biodiversity:

- The Company is thoughtful about where and how it builds its facilities and how it conducts its operations. Prior to drilling and facility construction, the Company uses a third party to conduct assessments for wetlands and other waters of the U.S., threatened and endangered species, and cultural resources.
- SM Energy actively engages with landowners, neighbors, and local community leaders before it begins operations to ensure the proper planning of well locations, service roads, and pipeline routes.
- The Company strives to adapt its operations to minimize impacts on wildlife and their habitat. Where feasible, the Company utilizes multi-well pads and centralized facilities while also extending the lateral length of its wells to minimize the surface footprint and land impacts of its operations.
- SM Energy works to restore the land to its original state by restoring the land using natural soil and planting native vegetation, while also consulting landowners on their preferences for site reclamation.

Spill Prevention

Spill management is an important element of SM Energy's environmental stewardship strategy. The Company sets an annual performance target for the ratio of spilled volumes to total produced volumes in a year. Compensation for all employees is tied, in part, to this target and is based upon the top quartile performance of the trailing three-year average of reporting American Exploration & Production Council ("AXPC") oil-weighted companies and certain other target metrics.

From 2019 through 2024, SM Energy achieved spill volumes of less than five barrels of produced fluid per 100,000 barrels of fluids produced, with a majority of spilled fluid being captured within secondary containment built to protect the land and environment. In 2024, the spill rate was 1.4 barrels of produced fluid spill per 100,000 barrels of fluids produced, which was in the top quartile of reporting AXPC oil-weighted members yet short of the Company's internal sustainability target.

SM Energy employs various practices to prevent, monitor, and respond to spills.

- **Design and Response:** SM Energy designs and maintains its facilities to prevent spills, while keeping safeguards in place that are intended to contain all fluids on location. When a spill does occur, the Company works to properly clean up the affected area, dispose of any recovered fluids, and remediate any contaminated soil or water as necessary.

- **Spill Reduction Planning Efforts:** SM Energy exceeds EPA requirements for Spill Prevention, Control and Countermeasure ("SPCC") Plans by integrating proactive spill mitigation strategies into its routine operations.

- **Operations Surveillance Room:** The OSR in the Midland Basin has strengthened SM Energy's spill response by enabling real-time monitoring of facilities. This allows operators to quickly detect spills and coordinate immediate field response, minimizing spill duration and environmental impact

- Other ongoing actions to reduce produced water spills include:
    - tank, vessel and pipeline inspections, including cleaning, testing, and replacement as necessary;
    - extra staffing that includes flowback crews and night lease operators, which enable faster detection and response;
    - post-incident review process;
    - optimization of water handling capabilities by expanding fluid gathering infrastructure to reduce trucking needs,
    - projects to upgrade equipment, specifically ongoing efforts to replace fiberglass tanks in South Texas to reduce the Company's exposure to lightning strikes that cause spills; and
    - projects to expand automation and communication capabilities to help reduce spills and leaks.

Waste Management and Recycling

SM Energy strives to manage produced waste. The Company maintains a Corporate Waste Management Program, as well as Operations Waste Management Plans, which are specific to the Company's operations. SM Energy maintains an auditing program directed at reviewing third-party operated waste disposal facilities. Most products and resources from the Company's operations are not classified as hazardous waste at end use by the EPA Resource Conservation and Recovery Act regulations.

In addition, the Company continually looks for new opportunities and technologies to minimize environmental impacts through reduction and/or the reuse or recycling of produced water. Recycling of produced water improved 25% in 2024, from 32% in 2023 to 40% in 2024.

Oversight and Compliance

SM Energy operations seek to meet or exceed compliance for codes, guidelines, policies, and regulations that include:

- U.S. Fish & Wildlife Endangered Species Act and Migratory Bird Treaty Act ("MBTA") regulations; MBTA includes implementation of U.S. Fish & Wildlife-approved Corporate Avian Protection Plan
- EPA SPCC regulation
- Railroad Commission of Texas ("RRC") and Texas Commission on Environmental Quality ("TCEQ") spill reporting/remediation and waste regulations
- EPA & TCEQ air quality regulations
- Texas Department of Health chemical inventory reporting
- TCEQ and Texas Water Development Board for South Texas Rio Grande water use
- RRC Regulation: Produced Water; no surface discharge, if not recycled, injected in RRC-regulated saltwater disposal wells
- RRC Regulation: Reporting of hydraulic fracturing chemicals to Frac Focus
- Utah Division of Environmental Quality and Division of Oil, Gas, and Mining
- Bureau of Land Management
- Bureau of Indian Affairs

ACCOUNTING METRIC	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Number, Barrels (bbls)	EM-EP-160a.2

SM Energy's Response

Number of spills: 17; Aggregate volume of hydrocarbon spills: 160 bbls. Volume recovered: 42 bbls. Comment: All spills to soil, none to water. Hydrocarbon spill data includes produced/crude, not refined, oil. No spills in Arctic or impacting shorelines with ESI index 8-10.

ACCOUNTING METRIC	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Percentage (%)	EM-EP-160a.3

SM Energy's Response

0%

TOPIC

Security, Human Rights & Rights of Indigenous Peoples

ACCOUNTING METRIC	Percentage of (1) proved and (2) probable reserves in or near areas of conflict

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Percentage (%)	EM-EP-210a.1

SM Energy's Response

0%

ACCOUNTING METRIC	Percentage of (1) proved and (2) probable reserves in or near indigenous land

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Percentage (%)	EM-EP-210a.2

SM Energy's Response

SM Energy currently reports on operations near Indigenous communities in the Company's sustainability reports. The percentage of proved reserves near Indigenous communities is data not currently collected by the Company.

ACCOUNTING METRIC	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict

CATEGORY	UNIT OF MEASURE	CODE
Discussion and Analysis	N/A	EM-EP-210a.3

SM Energy's Response

SM Energy's operations are located in eight counties in the state of Texas and two counties in the state of Utah. The Company's corporate headquarters are located in Denver, Colorado. The Company's operations are not located in areas of conflict. The Company's Texas operations are not located on indigenous lands and a portion of the Uinta Basin assets are located on indigenous lands and subject to distinct tribal regulation, including Indian Preference UTERO regulation, which protects employment rights and preferences for Ute Tribal members. The Company engages in ongoing and extensive discussions with the Ute Tribal government, including UTERO, to ensure compliance with all laws and regulations governed by the Ute Indian Tribe.

SM Energy operates only in the U.S., and therefore employs people who live in the U.S. The Company seeks to comply with all applicable U.S. laws that prohibit unlawful discrimination, regulate wages and compensation, and ensure a safe workplace. Available on the Company's website are the Company's Code of Business Conduct and Conflict of Interest Policy, Financial Code of Ethics Policy, and Human Rights Policy. The Company maintains an ethics and compliance hotline and website administered by a third party to allow any person—including employees, contractors, vendors, suppliers, and external and community stakeholders—to anonymously report any grievances or perceived violations of the Company's policies, ethical standards, or other compliance-related matters.

SM Energy is an equal opportunity employer and, in accordance with applicable federal, state, and tribal laws, will not discriminate in recruitment, employment, promotion, training or any other job-related matters regardless of race, religion, color, sex, sexual orientation, gender identity, genetic information, national origin, age, disability, military or veteran status or any other classification proscribed under applicable federal, state, tribal, or local law. The Company regularly performs internal analyses of its workforce demographics, and periodically engages a third party to conduct discrimination and pay equity testing. No discriminatory practices have been identified, and no evidence of discrimination or pay inequity has been found. The results of the Company's internal analysis are reported to the Board annually.

A cornerstone of SM Energy's mission statement is to have a positive impact on the communities where the Company's employees live and work. The Company strives to ensure a safe workplace for all employees, and to conduct its business with honesty, integrity and high ethical standards. SM Energy believes it provides competitive, performance-based compensation and benefits to its employees, and opportunities for employees to develop skills in leadership, safety, and technical acumen, which help strengthen the Company's efforts to conduct business with high ethical standards.

In 2021, the Company adopted a Human Rights Policy that, among other matters, memorialized its commitment to operating in a manner that is respectful of human rights and to avoid causing or contributing to adverse human rights impacts.

The Human Rights Policy is available on SM Energy's website at http://sm-energy.com along with the following policies or resources:

- Code of Business Conduct and Conflict of Interest Policy
- Financial Code of Ethics
- SM Energy Ethics and Compliance Hotline

TOPIC

Community Relations

ACCOUNTING METRIC	Discussion of process to manage risks and opportunities associated with community rights and interests

CATEGORY	UNIT OF MEASURE	CODE
Discussion and Analysis	N/A	EM-EP-210b.1

SM Energy's Response

The Company is committed to building strong, lasting relationships with stakeholders by actively investing in and engaging with the communities where its employees live and work. The Company values open, honest dialogue and strives to be a responsible neighbor by collaborating with local officials, landowners, emergency responders, and peer operators to address concerns and support community well-being.

SM Energy's philanthropic approach is thoughtful and employee-led, focusing on national and local organizations in education, health and human services, civic engagement, and law enforcement. The Company maintains a strong presence in communities across Colorado, Texas, and Utah, ensuring its investments reflect local needs and priorities.

The following are examples of SM Energy's engagement:

- SM Energy is proud to sponsor various STEM and other educational programs that support learning and growth in its communities. The Company continues to be the headline sponsor of the Texas Tech University ("TTU") Whitacre College of Engineering's Robotics Program, which is a partnership that helps cultivate an interest in STEM studies and careers throughout West Texas.
- SM Energy's Denver office has an ongoing and long-standing partnership with Junior Achievement ("JA"), an organization that supports various programs to teach K-12 students to be financially responsible, entrepreneurial, and career-ready by giving them a realistic view of the working world. The Company's employees participate in a number of programs during the year, including JA Bowl-A-Thon, JA Finance Park, JA Dream Accelerator and JA in a Day, which are programs designed to help students explore the role that financial investment plays in their families and communities.
- Community investment includes developing effective partnerships with community organizations and the Company's neighbors. A few examples of community organizations for which the Company provides investment and/or volunteer support include the following: Truckers Against Trafficking, Buffalo Bayou Partnership, Denver Children's Advocacy Center, Habitat for Humanity, Food Bank of the Rockies, and Freedom Service Dogs of America.
- SM Energy sponsors local community colleges and universities through endowments and funding of educational programs offered at these institutions. These colleges and universities offer trade and degree programs that prepare residents to step into local oil and natural gas industry positions.
- Pad and facility designs seek to minimize SM Energy's footprint. The Company works with local farmers to best determine road routes, maximize the use of pipelines to minimize truck traffic and recycle water where feasible.

SM Energy is broadening its community outreach programs and integrating its giving program into Utah. In 2025, the Company added a charitable contributions committee to represent the new area of operations, and the Company is actively seeking partnerships with local organizations to support and strengthen this community. In partnership with SM Energy and the Uintah Basin Technical College, the Utah Petroleum Association ("UPA") hosted a field tour for Utah's federal, state, and local officials. The event featured presentations on the industry's economic impact and SM Energy's operations and safety practices, followed by a guided tour of several of SM Energy's field sites covering the Company's drilling operations, new facility construction, producing sites, and completions operations.

Charitable giving and volunteerism are part of the SM Energy culture, enabling its employees to give back to its communities. Each year, an employee may use up to 12 hours of Company-granted time to volunteer. In 2024, SM Energy employees volunteered 2,682 hours of community service and charitable contributions totaled approximately $1.2 million, which includes the SM Energy corporate match of up to $2,000 per employee. Every fall, SM Energy hosts an employee giving campaign supporting United Way chapters in Metro Denver, Houston, Midland, and Laredo. The United Way campaign includes an additional donation matching program which allows the Company to match donations made to local United Way chapters of up to $25,000 per employee and/or Board member.

Please refer to SM Energy's 2024 Corporate Sustainability Report for additional examples of SM Energy's commitment to investing and connecting with the communities where its employees live and work.

SM Energy is also a significant contributor to the economies of the states and communities where we live and work. The importance of the Company's business to the local communities is underscored by nearly $189.4 million paid in state and local taxes in 2024.

ACCOUNTING METRIC	Number and duration of non-technical delays (caused by interruptions related to permitting, weather, labor issues, or logistics)

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Number, Days	EM-EP-210b.2

SM Energy's Response

Number: 0, Days: 0

TOPIC

Workforce Health & Safety

ACCOUNTING METRIC	(1) Total recordable incident rate ("TRIR"), (2) fatality rate, (3) near miss frequency rate ("NMFR"), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Number, Hours (h)	EM-EP-320a.1

SM Energy's Response

1) TRIR: Employees: 0.00; Contractors: 0.80. 2) Fatality Rate: Employees: 0.00; Contractors: 0.03. 3) NMFR: Employees: 87; Contractors: N/A: SM Energy tracks employee near misses in its environmental, health, and safety ("EHS") management system. The Company tracks contractor serious near misses, but does not comprehensively track contractor near misses and therefore does not report a contractor NMFR. 4) Average hours of health, safety, and emergency response training per worker: (a) Employees: 9.5 h; (b) Contract employees receive health, safety, and emergency response training from their respective companies and in accordance with their specific line of work; (c) the Company does not have any short-service employees.

ACCOUNTING METRIC	Discussion of management systems used to integrate a culture of safety throughout the exploration and production life cycle

CATEGORY	UNIT OF MEASURE	CODE
Discussion and Analysis	N/A	EM-EP-320a.2

SM Energy's Response

Safety Overview

Safety is SM Energy's top priority and the Company is proud of its strong safety culture that is driven from the top down and upheld by each employee in the organization. SM Energy conducts business in a manner that focuses on safeguarding the environment and protecting the health and safety of all.

The following are key aspects of the Company's safety program:

- SM Energy strives to conduct its operations in a manner that adheres to high ethical standards, the proper stewardship of natural resources, compliance with all applicable U.S. laws and regulations, and commitment to operational excellence.
- The Company conducts recurring and real-time EHS meetings with its employees and contractors to communicate expectations and ensure compliance with applicable laws, regulations, and Company policies.
- SM Energy has a "Stop Work Authority" directive at all of its sites that empowers any employee or contractor to stop any work they believe is being conducted in an unsafe manner.
- The Company completes a detailed pre-job hazard analysis.
- SM Energy's facilities are regularly inspected by its employees and consultants, and periodically by regulatory officials. The Company conducts internal and independent third-party regulatory audits to ensure compliance with applicable regulatory requirements and best practices. The Company last completed its triennial EHS audit in 2023.

Safety Metrics

SM Energy is committed to excellence in EHS performance, guided by annual goals set by the Board, including targets for TRIR. The Company uses a real-time EHS dashboard to track safety events — such as observations, hazards, near misses, and incidents — and regularly communicates performance to operations, management, and the Board. Employee compensation is partially tied to TRIR, with targets benchmarked against the top quartile of the trailing three-year average of AXPC members.

In 2024, the Company's TRIR was 0.67 injuries per 200,000 hours for employees and contractors combined. These results fell short of the Company's internal target on TRIR safety performance. To emphasize the importance of a safety-first culture, the Company launched the following safety initiatives in 2024:

- developed a safety leadership training program to ensure direct onsite supervisors are trained in communication of safety culture and expectations;
- established a cross-functional safety committee with one representative from each operating team including EHS;
- developed a routine program of field-led hazard hunts;
- developed a process to review high use vendors to assess safety performance and ensure safety performance meets SM Energy's high standards;
- conducted a high-risk task assessment project to analyze work tasks and assign the proper risk level and determine when SM Energy supervision is required; and
- expanded the Company's "Goal Zero" operations program (Zero Distractions, Zero Excuses, Zero Shortcuts and 100% Committed) to operational teams, focused on clear goal-setting, aligned actions and initiatives, along with employee and team recognition to reinforce a strong safety culture and performance accountability.

Safety Training

SM Energy expects all employees and supervised personnel to understand and follow its EHS policies, rules, and safe work practices. These practices are based on legal requirements and industry best practices. Employees are responsible for reviewing and applying the safe space work practices posted at its offices and on the internal website.

These include policies on the following:

- Driving safety
- Energy isolation
- Fire protection
- Hazard communication
- Hazardous materials
- Hazardous work permitting
- Incident reporting and investigation
- Job safety analysis
- Personal protective equipment
- Working at heights

In 2024, each SM Energy employee received, on average, 9.5 hours of health, safety and emergency response training, which was an increase from 2023.

Contractor Management Program

The Company strives to work with contractors who share its commitment to health and safety and the proper stewardship of shared natural resources. SM Energy uses ISNetworld ("ISN") to facilitate the collection, maintenance, and verification of contractor information. Contractors are required to submit their safety and training programs, safety performance data, and proof of insurance information to ISN, who independently verifies the information.

The Company expects all of its contractors to comply with their respective EHS programs, state and federal regulations, and to respect the safety first culture. Contractors are graded on the strength of their EHS management systems and training programs, as well as their performance. To help ensure that contractors implement their respective safety programs and provide proper training, the Company conducts periodic audits of a sampling of its contractors at both the corporate and field level.

TOPIC

Reserves Valuation & Capital Expenditures

ACCOUNTING METRIC	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Millions barrels (MMBbls), Million standard cubic feet (MMscf)	EM-EP-420a.1

SM Energy's Response

Annually, SM Energy evaluates the sensitivity of the Company's estimated reserves using multiple price decks and cost assumptions. See Task Force on Climate-Related Financial Disclosures report for details of scenario analyses performed as part of SM Energy's climate-related risk and opportunities assessment.

ACCOUNTING METRIC	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	mT CO_2e	EM-EP-420a.2

SM Energy's Response

55,609,882 mT CO_2e (Texas only)

Uinta Basin estimate will be incorporated in 2026 report based on 2025 data.

ACCOUNTING METRIC	Amount invested in renewable energy, revenue generated by renewable energy sales

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Presentation currency	EM-EP-420a.3

SM Energy's Response

Since 2017, 178 wind/solar remote power systems and various instrumentation power supplies have been installed for approximately $2.2 million. This is operational support equipment with no associated revenue generated.

ACCOUNTING METRIC	Discussion of how price and demand for hydrocarbons or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets

CATEGORY	UNIT OF MEASURE	CODE
Discussion and Analysis	N/A	EM-EP-420a.4

SM Energy's Response

The Company's strategic planning process supports sustainable profitability and includes consideration of short-, medium- and long-term climate-related risks and opportunities, including risks related to macro-economic trends, market perceptions, climate regulation, and physical risks. As part of this process, the Company performs scenario analyses to assess the potential impact of certain climate-related transition risks on the Company's portfolio. These results are reviewed in-depth with the Company's Board to create a strategy to mitigate or maximize climate-related risks and opportunities in working towards a lower carbon future. See sections "Climate-Related Risks" below for detailed discussion.

TOPIC

Business Ethics & Transparency

ACCOUNTING METRIC	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Percentage (%)	EM-EP-510a.1

SM Energy's Response

0%

ACCOUNTING METRIC	Description of the management system for prevention of corruption and bribery throughout the value chain

CATEGORY	UNIT OF MEASURE	CODE
Discussion and Analysis	N/A	EM-EP-510a.2

SM Energy's Response

SM Energy is headquartered in Colorado, with operations in Texas and Utah, and is committed to operating in full compliance with all U.S. federal, state, tribal and local laws. The Company partners with reputable, regionally based suppliers who are also subject to these regulations.

Integrity and ethical behavior are core to SM Energy's culture. The Company enforces high standards through its Code of Business Conduct and Conflict of Interest Policy, Financial Code of Ethics, and Human Rights Policy. All employees receive training and must annually certify compliance with these policies. On a bi-annual basis, the Company performs anonymous inquiries with its employees concerning business conduct and ethical standards, as well as employee expense audits. The Company prohibits retaliation against any employee for providing information concerning a violation of law, regulation, or policy.

To ensure accountability, SM Energy maintains a third-party-administered ethics and compliance hotline and website, allowing employees, contractors, vendors, and community members to anonymously report concerns. All reports are investigated by the General Counsel and reviewed by senior management, Internal Audit, and the Audit Committee of the Board (the "Audit Committee"). Retaliation against whistleblowers is strictly prohibited.

Additionally, SM Energy uses Pricebook, a price management system that helps prevent vendor fraud and corruption. By automating price reconciliations and maintaining a digital record of contract pricing, Pricebook strengthens financial controls and reduces risk.

TOPIC

Management of the Legal & Regulatory Environment

ACCOUNTING METRIC	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry

CATEGORY	UNIT OF MEASURE	CODE
Discussion and Analysis	N/A	EM-EP-530a.1

SM Energy's Response

The oil and gas industry operates under complex regulations, particularly environmental laws, which can pose significant costs and risks. SM Energy is committed to full legal compliance; ethical business practices; and strong safety, health and environmental stewardship. Key regulatory risks to sustainable operations include proposed emissions reductions mandates and the potential implementation of carbon pricing mechanisms. These risks are discussed in further detail in the TCFD reporting disclosure.

The following are examples of how SM Energy has successfully integrated sustainability programs into its organization:

- The Board-level G&S Committee and G&S Management Committee have oversight over sustainability related matters and are responsible for implementing and/or overseeing the effectiveness of the Company's sustainability practices, policies and programs. Please see TCFD Core Element Governance for additional detail.

- The Company works through its trade group affiliations and third-party consultants to provide education and guidance with respect to sustainability matters, and to identify and consider potential transition risks associated with emerging regulation and potential market risks associated with price and demand volatility. See the Company's discussion of risk factors impacting its business in the Company's most recent Form 10-K and TCFD Core Element Strategy.

- The Company works with The Environmental Partnership ("TEP"), whose programs and initiatives align with its commitment to being a good steward of shared natural resources. TEP is a voluntary program, comprised of a growing number of energy companies in the U.S. oil and natural gas industry committed to improving the industry's environmental performance and collaborating to achieve positive outcomes.

- SM Energy proactively collaborates with industry trade organizations to develop safety and emissions metrics most relevant to the oil and gas sector, supporting improved and comparable sustainability disclosures. The Company has memberships in the Texas Oil and Gas Association, AXPC, Permian Basin Producers Association, UPA, Western Energy Alliance and Louisiana Oil & Gas Association trade associations and is a member of the University of Texas at Austin Bureau of Economic Geology special project for Integrated Seismicity Research.

TOPIC

Critical Incident Risk Management

ACCOUNTING METRIC	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Rate	EM-EP-540a.1

SM Energy's Response

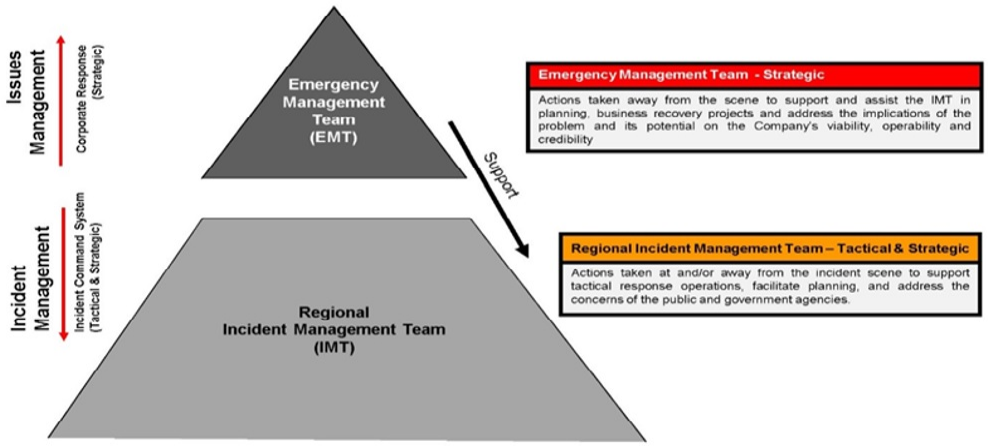
0.00 PSE rates

ACCOUNTING METRIC	Description of management systems used to identify and mitigate catastrophic and tail-end risks

CATEGORY	UNIT OF MEASURE	CODE
Discussion and Analysis	N/A	EM-EP-540a.2

SM Energy's Response

The Company has risk assessment and mitigation processes in place for a range of risk types with varying probabilities of occurring.



Operations Emergency Management Plan

The Company's Corporate Operations Emergency Management Plan outlines the roles, responsibilities, and coordination between the Corporate Emergency Management Team and the Incident Management Team. This plan supports field-level response and guides broader business continuity efforts. The team regularly conducts tailored emergency drills—including tabletop and field-based scenarios—for departments such as drilling, completions, and production, often involving local first responders and law enforcement to enhance preparedness and response capabilities.

Enterprise Risk Management

The Enterprise Risk Management ("ERM") Committee is governed by the Enterprise Risk Management Policy ("ERM Policy") and is responsible for managing SM Energy's overall risk management program and strategy. The ERM Committee meets regularly to discuss and, as necessary, update the Company's enterprise risk management processes and plan (the "ERM Plan"). The ERM Committee uses the risk management framework from the Treadway Commission's Committee of Sponsoring Organizations and then evaluates the Company's and peer's publicly disclosed Risk Factors against the framework. Additional risks are evaluated and ranked based on information gathered during the Company's annual business strategy session.

The ERM Committee evaluates and prioritizes risks, including climate-related risks, based on their potential impact, likelihood, and timing, focusing on those that could materially affect the Company's strategic objectives. In assessing materiality, the Company uses both quantitative and qualitative metrics, considering potential effects on proved reserves, net income, operations, cash flow, Adjusted EBITDAX (as defined in the Company's most recent Form 10-K), liquidity, and shareholder and equity value.

Risks are ranked and reviewed with Company leadership to identify those most critical to strategic execution, then finalized for prioritization and assigned to owners for mitigation and monitoring. Top-ranked risks are reviewed at the ERM Committee's quarterly meetings, accompanied by presentations from designated risk owners outlining their scenario analyses and mitigation strategies. Annually, the Board reviews the top-ranked risks alongside Internal Audit's assessment of ERM Plan effectiveness, which confirms that the ERM Committee is appropriately monitoring key risks and that the necessary people, processes, and systems are in place to manage them.

Catastrophic and Tail-End Risks

Please reference the Company's most recently published TCFD report.

Routine Risk Management

More broadly, environmental, health, and safety risks and opportunities are part of daily operations under the oversight of the Executive Vice President and Chief Operating Officer. The Company has several systems in place to monitor and alert on safety incidents, flaring and other environmental matters. Many of these alerts are fully automated and are directed to the appropriate management

teams. Additionally, SM Energy works closely with its significant business partners to ensure that they have the appropriate safety standards in place to protect employees, contractors, and the public.

Cybersecurity

Cybersecurity is a key component of SM Energy's sustainability strategy, focused on building resilience across the organization. The Company fosters a strong cybersecurity culture through a multi-layered approach that combines advanced technologies, employee engagement, and oversight by the Board and Audit Committee, which receive quarterly updates on cybersecurity and business continuity.

Recognizing that employees and partners are the first line of defense, SM Energy provides regular training and real-time updates to raise awareness and encourage proactive reporting. Examples of these efforts include:

- Using modern software tools to protect user authentication and maintain systems to help identify, alert, and respond to abnormal activities.
- Working with industry experts to partner on activities such as maturity assessments, penetration testing, and incident response plans, including tabletop exercises, to strengthen the Company's ability to quickly assess and respond to potential and actual threats.
- Continuously monitoring the evolving threat landscape, both in its industry and beyond, to take proactive measures in its cybersecurity program.

SM Energy has implemented cybersecurity training, controls, and other information security efforts to protect the confidentiality, integrity, and availability of information.

TOPIC

Production of: (1) Oil, (2) Natural Gas, (3) Synthetic Oil, and (4) Synthetic Gas

ACCOUNTING METRIC	Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Thousand barrels per day (Mbbl/day); Million standard cubic feet per day (MMscf/day)	EM-EP-000.A

SM Energy's Response

In 2024, the Company reported average net daily production of 80.2 MBbl/day crude oil, 374.3 MMcf/day natural gas, and 27.9 MBbl/day natural gas liquids.

TOPIC

Number of Offshore Sites

ACCOUNTING METRIC	Number of offshore sites

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Number	EM-EP-000.B

SM Energy's Response

SM Energy has no working interest in producing offshore sites.

TOPIC

Number of Terrestrial Sites

ACCOUNTING METRIC	Number of terrestrial sites

CATEGORY	UNIT OF MEASURE	CODE
Quantitative	Number	EM-EP-000.C

SM Energy's Response

As of December 31, 2024, the Company had working interests in 1,262 gross (950 net) productive oil wells and 566 gross (530 net) productive gas wells.