

**22 April 2026**

## **Merger Proposal – Update to Southern Co-op Members**

Over the past week, we have seen a number of conversations online about the proposed merger with Co-op Group. We understand why, this is your Society, and you care about its future.

However, we are concerned that some of what is being shared does not reflect the full picture so we want to provide you with a clear and open update on the situation.

Southern Co-op has made losses for the past three years. Over the last year, trading has become more difficult, and we have relied on ongoing support from our banks and suppliers to continue operating. That support cannot now be increased within the time available.

To continue trading without a merger, we would need a significant level of financial support and we have not received any offers of funding at that level.

We know many members are asking whether there is another option. We have asked the same question ourselves, repeatedly, over recent months. The honest answer is that there is no solvent alternative available to us now which we could deliver in the time frame and without exposing the business to a much greater risk, and it's important that we are clear about what this means.

If the merger does not go ahead, the most likely outcome is that Southern Co-op will enter insolvency through administration. This would put jobs at risk, lead to the loss of stores and negatively impact our suppliers.

This is not a position we ever wanted to be in. Like you, we believe strongly in the value of an independent co-operative, and we have explored every realistic option to protect that.

However, our responsibility now is to be open about the situation and to act in a way that protects as much as possible for our members, colleagues, communities and supply chains.

That is why we are recommending the merger with Co-op Group.

It is not an easy decision, but it is the one that protects more jobs, more services, and more value for members than any other option available to us today.

We understand this is a lot to take in, and you may have questions. We encourage you to read the full information available and to get in touch if there is anything you would like to ask.

Thank you for taking the time to consider this and please remember, that as a valued Southern Co-op member, your vote matters.



**Janet Paraskeva, Chair**



**Ben Stimson, CEO**