KALLIK

Kallik's 2026 Global Labeling Readiness Report

The essential playbook for building agile, compliant, and future-ready labeling operations in 2026.

Contents

Introduction & Executive Summary

Major Labeling Pressures Going Into 2026

The Pressure Point for 2026

Why Traditional Labeling Can't Keep Up

The Four Pillars of Labeling for 2026

Your Labeling 2026 Roadmap

Labeling That's Ready for 2026 and Beyond

Introduction & Executive Summary

Product labeling has quietly become one of the most strategic and high-stakes operational functions in global business. As supply chains fragment, regulatory expectations intensify, and consumer scrutiny rises, the contents of a label are no longer just “a compliance requirement.” They are central to product safety, risk management, and a brand’s ability to innovate and grow.

Globally, product recalls have continued to rise to record levels across all industries, reflecting systemic pressures facing manufacturers today. These recalls are often driven by packaging, labeling, and traceability issues which put lives and brand reputation at risk.

At the same time, the technology underpinning labeling and artwork management is still rapidly evolving. Cloud-based systems are becoming the default infrastructure for modern enterprises. According to Gartner, 90% of organizations are expected to adopt hybrid cloud strategies by 2027. It’s clear that there’s a massive shift taking place, and it’s crucial that businesses stay on top of this when it comes to product packaging to ensure compliance.

This whitepaper reframes labeling and artwork management as a strategic capability for 2026 and beyond. Rather than viewing labeling as an administrative burden, successful organizations treat it as a data-driven, automated, cloud-native process that reduces risk, accelerates time-to-market, and enhances operational resilience. In addition, using our recent 2025 survey and industry research, we’ll look at the biggest obstacles enterprises currently face and run through a practical roadmap to success in 2026.

Why This Matters Now

Legacy labeling methods such as, spreadsheet workflows, fragmented artwork systems, ad hoc approvals, and manual governance, are increasingly incompatible with the pace and complexity of modern business. The consequences of using outdated methods can show up as costly recalls, regulatory enforcement actions, delayed product launches, and damaged consumer trust.

At the same time, emerging technologies like cloud platforms, automation workflows, and AI-assisted content migration are reshaping what is possible. Organizations that modernize labeling early will gain speed, accuracy, and agility, while those that delay risk falling further behind.

This whitepaper provides a concise but strategic playbook for how leading enterprises are transforming labeling and artwork management so they can compete with confidence in 2026 and beyond.

What You Will Learn in This Whitepaper:

- Why labeling matters more than ever in 2026
- The four pillars of 2026-ready labeling
- How leaders are responding
- A roadmap for action

Major Labeling Pressures Going Into 2026

Labeling has moved from being a downstream administrative task to a core operational risk factor for global businesses. In 2026, pressures from regulation, supply chain instability, and consumer expectations will intensify, and organizations that cannot update labels quickly and confidently will face rising compliance, financial, and reputational threats. Across industries, external data already shows the scale of this challenge.

Rising Recall Activity Shows the Cost of Labeling Failures

Product recalls are increasing worldwide, and labeling or packaging errors are consistently among the top triggers.

In Europe, recalls are hitting unprecedented levels. Sedgwick reported that "There were 14,484 European product recalls across five key industries in 2024," marking the highest annual total on record and the sixth consecutive year of recall growth. Furthermore, independent analyses show how labeling contributes to this trend. A review of FDA recall notices found that 51% of recalls were due to mislabeling and 13% were due to faulty packaging.

The message is clear: labeling accuracy is now a defining risk indicator. Organizations that fail to manage updates consistently and quickly expose themselves to escalating compliance scrutiny and the rising costs of quality failures.

Supply Chain Instability Demands Rapid Label Updates

Labeling plays a critical role in responding to market shifts – whether adjusting specifications, changing suppliers, launching products into new regions, or handling recalls. Yet supply chains are now more volatile than at any point in recent history.

Just **5% of survey respondents** believe they are ready for the demands of 2026.

The World Economic Forum describes today's operating context as "an era that many describe as a 'permacrisis'" as businesses tend to operate in a state of continuous, overlapping shocks due to supply shortages, geopolitical instability, regulatory changes and consumer expectations. Ultimately, volatility is the new baseline for organizations. This level of disruption means companies must adapt product information rapidly. When labels take months to update the organization cannot pivot efficiently in response to shifts in demand, regulation, or supplier availability.

Regulatory Expectations Are Getting Harder, Faster

This volatility definitely will not be ending anytime soon, with global regulators tightening requirements for transparency, traceability, and sustainability. The constant introduction of new rules, such as the EU's Packaging and Packaging Waste Regulation, the UK's "UK Only" labeling under the Windsor Framework, and expanding MDR/IVDR obligations, require faster updates and more precise data on packaging.

These demands increase the volume, frequency, and complexity of label changes across every major product category. For organizations still relying on spreadsheets, siloed systems, or email-based approvals, this creates a widening compliance gap.

Our Survey Confirms That Speed and Confidence Are Major Weaknesses

While external data shows why labeling matters more than ever, Kallik's 2025 labeling survey reveals that most organizations are not equipped to meet this level of pressure.

Key findings include:

- Label change lead times are often a source of major bottlenecks.
- A key theme for respondents was a lack of confidence in their ability to make rapid, large-scale label updates.
- Around 15% of respondents said they have no labeling software or rely on manual processes, making adaptation slow and error-prone.

These results show that while organizations are aware of external pressures, many remain constrained by legacy systems, fragmented workflows, and manual processes that limit their operational agility.

The Pressure Point for 2026

It's clear that a consistent picture is emerging for the pressure points set to define 2026, including increasing regulatory and market pressures, supply chain shifts, and the high level of recalls due to labeling errors. Yet most organizations lack the agility and confidence needed to update labels quickly, accurately, and at scale. This is where organizations risk being left behind.

In the next section, we explore how regulatory changes are accelerating and why traditional labeling processes cannot keep up with the emerging requirements for accuracy, sustainability information, region-specific rules, and real-time traceability.

The Regulatory & Market Trends Ruling 2026

In 2026, labeling will sit at the intersection of compliance, sustainability, traceability, and global market expansion, turning it into one of the most scrutinized parts of product governance. What regulators expect on-pack is becoming more granular, more dynamic, and more region-specific.

The Latest Regulations Impacting Labeling

PPWR

Sustainability is a key topic here, becoming more and more crucial. The EU's Packaging and Packaging Waste Regulation (PPWR) marks the most significant packaging reform in decades. It introduces new sustainability and labeling requirements across the packaging lifecycle, including clearer information on recyclability, reuse, and materials. According to research, in 2023, the EU alone generated nearly 80 million tonnes of packaging waste, highlighting the need for efficiency and clarity in packaging and labeling.

Most PPWR requirements begin 12 August 2026, meaning organizations must overhaul their labeling, artwork, and packaging disclosures well before then. Beyond compliance, this regulation signals a broader shift: packaging labels are becoming sustainability data carriers, not just product identifiers. As a result, organizations must start recognizing the true value in their labels and ensure their labeling process is ahead of the curve to keep up.

KALLIK

Windsor Framework

Under the Windsor Framework, the UK introduced the requirement that human medicines placed on the UK market display a "UK Only" label from 1 January 2025, with a short transition period for legacy stock. This divergence means manufacturers now need separate regulatory labeling paths for EU and UK markets, increasing both complexity and operational overhead.

EU MDR, IVDR & UDI

Furthermore, the EU's MDR and IVDR regulations, along with global expectations for UDI (Unique Device Identification), demand more precise, machine-readable and human-readable data on labeling. These rules also require lifecycle traceability, data consistency across packaging levels, and digital carriers such as QR codes and data matrices.

Medical device regulators globally are increasingly aligned around the principle that information must be accessible, accurate, and digitally traceable across the entire healthcare supply chain. If you're in the minority still using spreadsheets and outdated processes to manage your labeling, it's never been more important to get up to date.

Anti-Counterfeit and Safety Pressures

Besides regulatory updates, counterfeit goods, especially pharmaceuticals and personal care products, cause issues worldwide. Research highlights labeling as a critical frontline defense, "Tamper-evident packaging and sophisticated labelling solutions help protect against counterfeit pharmaceutical products and support supply chain security." This reinforces the trend toward digital identifiers, serialized labels, and secure artwork controls, increasing both the complexity and frequency of updates.

Consumer Expectations Are Moving Faster Than Regulation

On top of these risks, consumers are becoming more careful about their purchases than ever before, and one single labeling difference could lead to a customer choosing a competitor's product over yours. If you're not focusing on transparent product information for 2026, you could see a serious decline in sales as consumers become more conscious of their choices than ever.

The Key Takeaway

With regulatory complexity cited as one of the top concerns for 2026 in our recent survey results, it's clear that organizations using traditional labeling methods require change. Let's now look at why.

Why Traditional Labeling Can't Keep Up

Despite rising regulatory expectations and the rising rate of recalls, many organizations still manage labeling through manual workflows, siloed systems, and document-dependent processes. These legacy operating models simply cannot handle the pace, complexity, or scale that 2026 will demand. External research reinforces what our own survey revealed: traditional labeling is slow, error-prone, and structurally incapable of supporting high-velocity change.

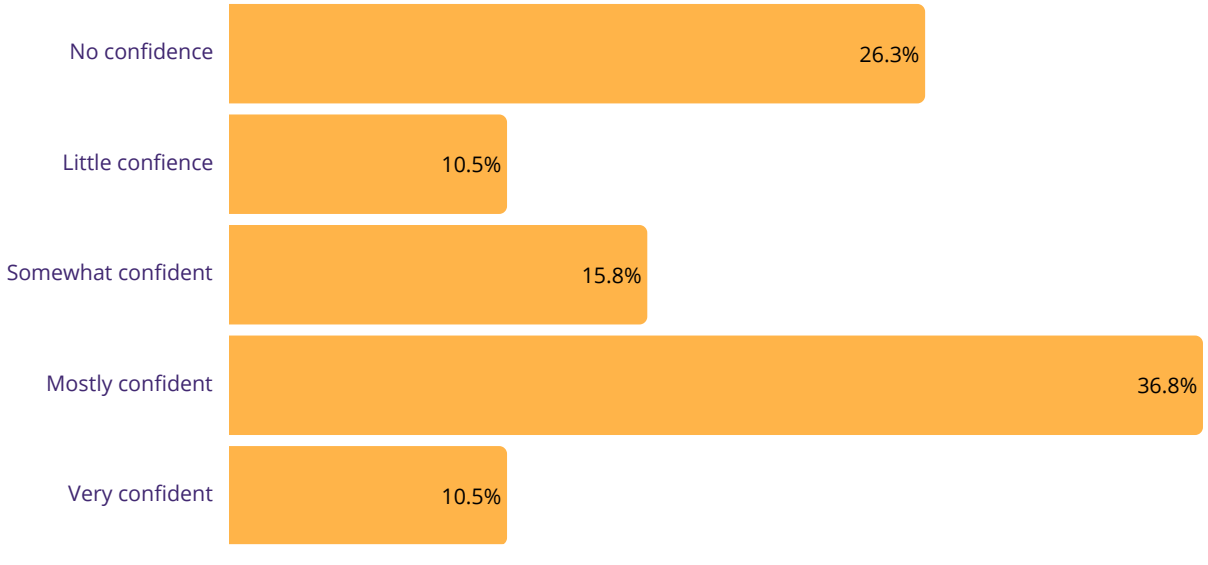
Manual Processes Create Consistent Delays and Errors

In most industries, artwork and labeling workflows remain fragmented due to being managed through email approvals, spreadsheets, shared drives, and regional workarounds. These methods were never designed for multi-market, multi-language operations.

Research shows that "Inefficiencies in artwork management lead to prolonged project timelines and lost productivity" – something we at Kallik hear often from prospects and new customers who are unhappy with their current process. Similarly, our survey results showed that label changes often take organizations weeks and months, and only 10% of respondents felt very confident in executing rapid, large-scale updates, with 26% claiming to have no confidence at all.

Many organizations still rely on inconsistent templates, uncontrolled text repositories, disjointed systems, or even copy-and-paste workflows. This increases the risk of errors, does nothing to support traceability and auditing, and most importantly, costs a significant amount of time and therefore, money. In addition, errors and compliance failures can lead to significant financial loss and damage to reputation.

Confidence in Executing Rapid Label Changes Remains Low



Siloed Systems Make Global Consistency Difficult or Impossible

When it comes to global organizations, the risk is even greater. With product data scattered across regional servers, disconnected artwork tools, and local spreadsheets, it's almost impossible to achieve global consistency and for teams around the world to work together seamlessly.

In our 2025 survey, **15% of respondents reported having no labeling software at all**, relying entirely on manual or outdated systems. Nearly half expressed dissatisfaction with their existing processes – most citing inconsistency and lack of governance. These weaknesses make it nearly impossible to respond quickly to regulatory changes, market shifts, or supply chain disruptions.

Digital Transformation is the Only Way Forward

While many firms have modernized ERP, MES, and PLM systems, labeling and artwork often remain stuck in antiquated workflows. As we enter 2026, it's clear that the only way forward is a single, cloud-based, digitized system that integrates with these other platforms as part of a modern holistic systems approach.

McKinsey reports that "89% of large companies globally have a digital and AI transformation journey underway," but it's often the case that organizations are still relying on outdated processes for labeling and artwork. Despite being core to compliance, product launch, and supply chain, labeling is frequently overlooked, and it's crucial that this changes in order for businesses to be successful.

The Bottom Line: Traditional Labeling Is Too Slow and Too Risky

Taken together, the external data and our survey findings point to a clear conclusion:

- Manual processes introduce delay and error
- Legacy systems cannot deliver the speed needed for 2026
- Regulatory complexity is outpacing organizational capability
- Labeling is fast becoming a major operational and compliance bottleneck

Most survey respondents reported label change lead times measured in weeks, not days.

This operational reality explains why leading organizations are moving toward cloud platforms that utilize automation, AI, and composable labeling. These capabilities are the foundation for regulatory readiness and speed-to-market in the years ahead.

The Four Pillars of Labeling for 2026

Our 2025 survey revealed a striking insight: **only 5% of respondents felt fully prepared for the demands of 2026**. Most organizations reported slow, manual processes, limited confidence in large-scale updates, and a growing struggle to keep pace with regulatory and supply chain pressures. The solution? A common blueprint involving a modern, digital labeling model built around four core pillars which will enable businesses to keep up in 2026.

Pillar 1: Cloud as the Control Tower

Modern labeling must be global, connected, and instantly accessible. Cloud infrastructure provides the backbone for this, enabling centralized content, real-time collaboration, and scalable governance across markets. Gartner recently explained how the cloud is no longer optional, stating that "90% of organizations will adopt hybrid cloud through 2027."

For labeling teams, cloud removes version confusion, accelerates updates, and ensures every market works from the same source of truth. This is critical when regulatory changes require rapid, coordinated action.

Pillar 2: Automation & AI for Speed and Accuracy

Automation and AI address the industry's most consistent bottlenecks: slow change cycles, manual artwork tasks, and high risk of human error. Automation supports instant artwork generation, structured approval workflows, auto-proofing, and bulk updates. And while AI might make you think of ChatGPT and Gemini, machine learning is a powerful tool that when used correctly, can help to accelerate migration, template building, and content reuse. Together, automation and AI form the operational engine that drives faster, more reliable label changes.

Pillar 3: Composability & Governance

Composability breaks labels into reusable components, such as phrases, symbols, artwork elements, and regulatory statements, that can be digitized, controlled centrally, and easily used across products and regions. When regulations change, updates can be made once, then cascaded everywhere automatically. This approach also makes each individual component searchable and easy to replace across thousands of labels and artworks, therefore allowing teams to swap in a new, pre-approved version instantly without manually editing every file.

This aligns with the principle highlighted by Gartner industry analyst, John Blake, "We need to think about how we manage and utilize technology to really improve our processes around artwork and labeling." In a recent webinar, John Blake discussed the importance of composability in the labeling and artwork process to ensure consistency, reduce rework, and provide full auditability – crucial in an environment where accuracy is non-negotiable.

Pillar 4: People & Operating Model Resilience

Technology alone doesn't make an organization ready for 2026. It's also about the right mindset and preparation. It's key to redesign how teams work, reducing manual expertise and instead focusing on system-embedded knowledge.

It's important to ensure that institutional knowledge is captured, not lost through retirements or turnover. This comes from using systems with as little human input as possible and working with user-friendly platforms that have been designed to be simple to understand and to embed process in systems, not just in people. This closes one of the biggest gaps discovered in our survey: organizations relying on manual expertise rather than repeatable, scalable processes.

Together, These Pillars Form the New Standard

Cloud, automation, composability, and resilient operating models define the shift from reactive, manual labeling to proactive, scalable, compliant labeling. Organizations embracing these pillars are not just keeping up with regulatory and market demands, but they are building a competitive advantage for 2026 and beyond.

What Leaders Are Already Doing

Some of the most successful organizations have already been using these four pillars for some time, and as a result, are already seeing measurable improvements in speed, accuracy, and compliance readiness.

For example, Ambu, a global medical device manufacturer, transformed its labeling by moving from a single-expert dependency to a fully governed, cloud-based system. “We are in full compliance… and because everything is logged, we have an audit log to show them everything every time we make a change,” Ambu’s labeling manager praised. “We are now in control of all our labels in one system.” This is true composability, governance, and automation in action.

Kenvue achieved equally impressive results thanks to AI. After separating from Johnson & Johnson, the company created a digital twin of its entire product content library and used AI to streamline the onboarding process. This reduced migration time significantly, allowing them to get set up fast and make packaging changes 95% faster simply by reusing existing content.

Additionally, Diversey consolidated labeling and artwork into a standardized global process, simplifying change management and significantly reducing the cost of producing consistent, multi-language labels across markets. “Global change management has been greatly simplified, with the costs of producing graphically consistent labels with multi-language content being significantly reduced.”

These organizations are not relying on manual workarounds or incremental improvements. They are adopting the full ecosystem of cloud, automation, composability, and new operating models. So what are you waiting for?

Next, let’s take a look at a practical 2026-ready checklist, offering clear steps organizations can take immediately to assess maturity, reduce risk, and build the foundations for faster, more compliant labeling operations.

Your Labeling 2026 Roadmap

Modern labeling leaders don't just aim to be compliant. They build processes that can absorb constant change without slowing down the business. A simple way to evaluate readiness is to ask whether your organization can confidently say the following.

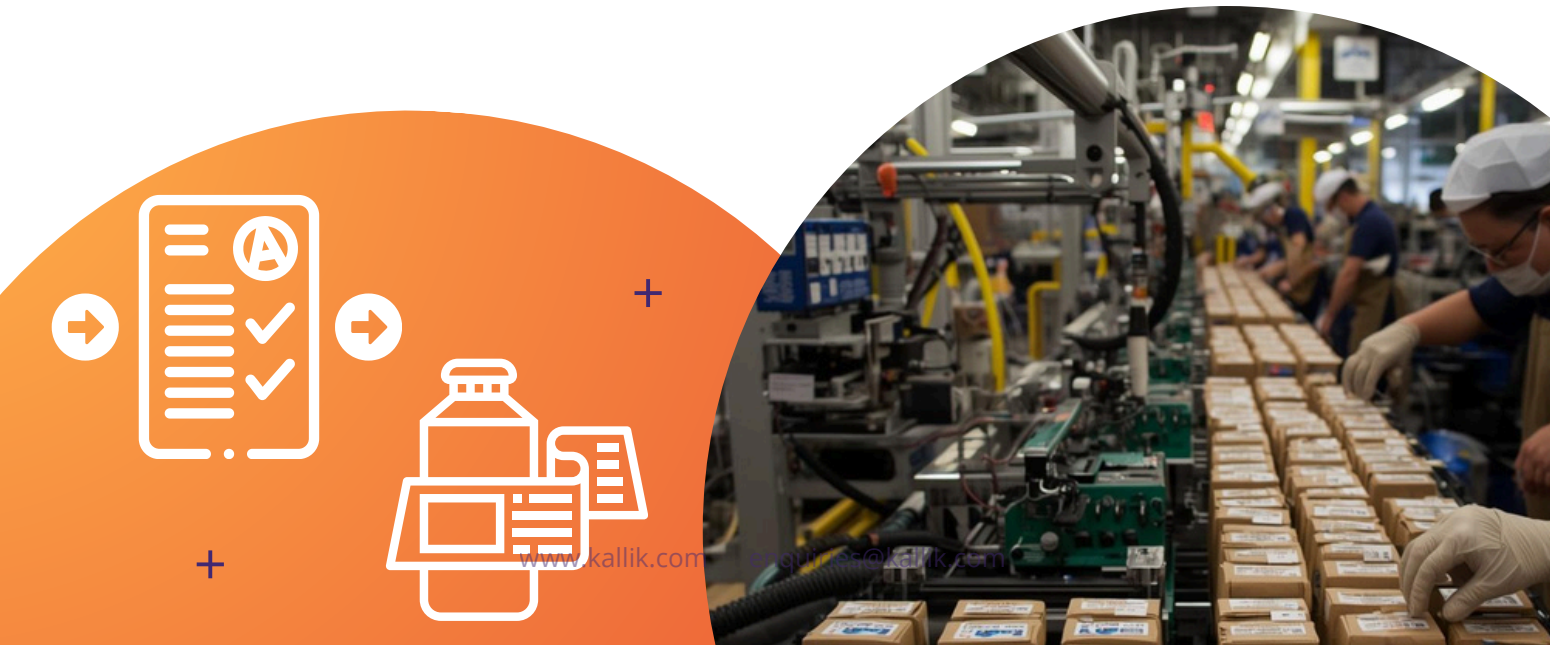
Can you say these five things about your labeling and artwork process?

This is what the world's most agile organizations can say about theirs—and what "2026-ready" looks like in practice:

- We can update labels for new regulations within days, not weeks.
- All components, phrases, labels, and artwork exist in a single system of record.
- Our artwork and labeling processes are fully cloud-based.
- Approval workflows are automated and trackable end-to-end.
- We use AI-powered tools to accelerate migration and reduce manual tasks.

If you can't confidently confidently check each of these off today, you're not alone. But these targets provide a clear blueprint for where to focus next so you can reduce risk, increase speed, and build a labeling operation that is ready for 2026 and beyond.

To understand where your business stands today, use our 2026-ready labeling checklist on the next page.



2026-Ready Labeling Checklist

To help you take the next step, use the following checklist to know where to focus your attention for 2026:

Readiness Questionnaire

Cloud & Centralization

- [ ] All label components, assets, and artwork are stored in a single cloud-accessible system
- [ ] Regional teams collaborate on the same platform in real time

Speed, Automation & AI

- [ ] Version control and audit trails are automated
- [ ] Artwork generation can be automated from approved templates
- [ ] Approvals and proofing follow automated workflows
- [ ] AI assists with content extraction, migration, or template creation
- [ ] Label updates can be executed in days

Composability & Governance

- [ ] Phrases, symbols, regulatory text, and artwork elements are modular and reusable
- [ ] Changes to components automatically cascade to all affected labels
- [ ] “Where Used” analysis is available instantly
- [ ] Governance rules are embedded in the system

Accuracy, Compliance & Traceability

- [ ] Full audit logs can be produced quickly for inspectors or regulators
- [ ] Sustainability, safety, or traceability data can be updated centrally

People & Operating Model

- [ ] Critical knowledge is captured in systems
- [ ] Training for new staff is guided by standardized workflows
- [ ] The team can handle growing workload without adding headcount
- [ ] Roles and responsibilities for labeling and artwork are clearly defined

If you checked most of these boxes, your labeling environment is well-positioned for 2026. If not, these items form a practical roadmap for transformation.

Labeling That's Ready for 2026 and Beyond

With the increasing number of recalls, the rise of sustainability and traceability requirements, and tightening regulatory timelines, it's clear that organizations must be able to update labels quickly, accurately, and at scale to stay compliant and competitive in 2026.

With Kallik's 2025 survey clearly showing that only very few companies are prepared for 2026 and its challenges, and many still relying on manual or fragmented processes that cannot meet modern demands, it's time for businesses to assess their current processes and look to automated, cloud-based, AI-backed solutions for 2026.

The companies ahead of the curve have embraced a modern labeling model built on four pillars: cloud infrastructure, automation and AI, composable architectures, and resilient operating models. Together, these capabilities deliver the speed, compliance confidence, and agility needed to operate in a world defined by constant change. Their success demonstrates a simple truth: when labeling becomes digital, governed, automated, and structurally resilient, organizations can move faster, reduce risk, and focus more on innovation.

What's Stopping Your Business?

If you're looking to transform your labeling and artwork management process in 2026, speak to one of our labeling and management experts today. Call +44 (0) 1827 318100, fill in a contact us form, or email enquiries@kallik.com to see how Kallik can help your business.

End-to-end Enterprise Labeling & Artwork Management Software

At least a 70% reduction in cycle times

45 production sites live within a year

100% compliant: No FDA recalls due to labeling for 5 years

System implemented and live within 8 weeks

$12-$15 million savings annually

90,000 products updated, approved and printed in 5 months

KALLIK +

Speak to us today

Ready to transform your labeling and artwork processes? Gain total regulatory confidence, enable scalable and standardised global operations, and reduce your time to market with Kallik. Contact us today to schedule a demonstration.

www.kallik.com

enquiries@kallik.com

+44 (0) 1827 318100

end-to-end labeling and artwork management

www.kallik.com

enquiries@kallik.com

+44 (0) 1827 318100